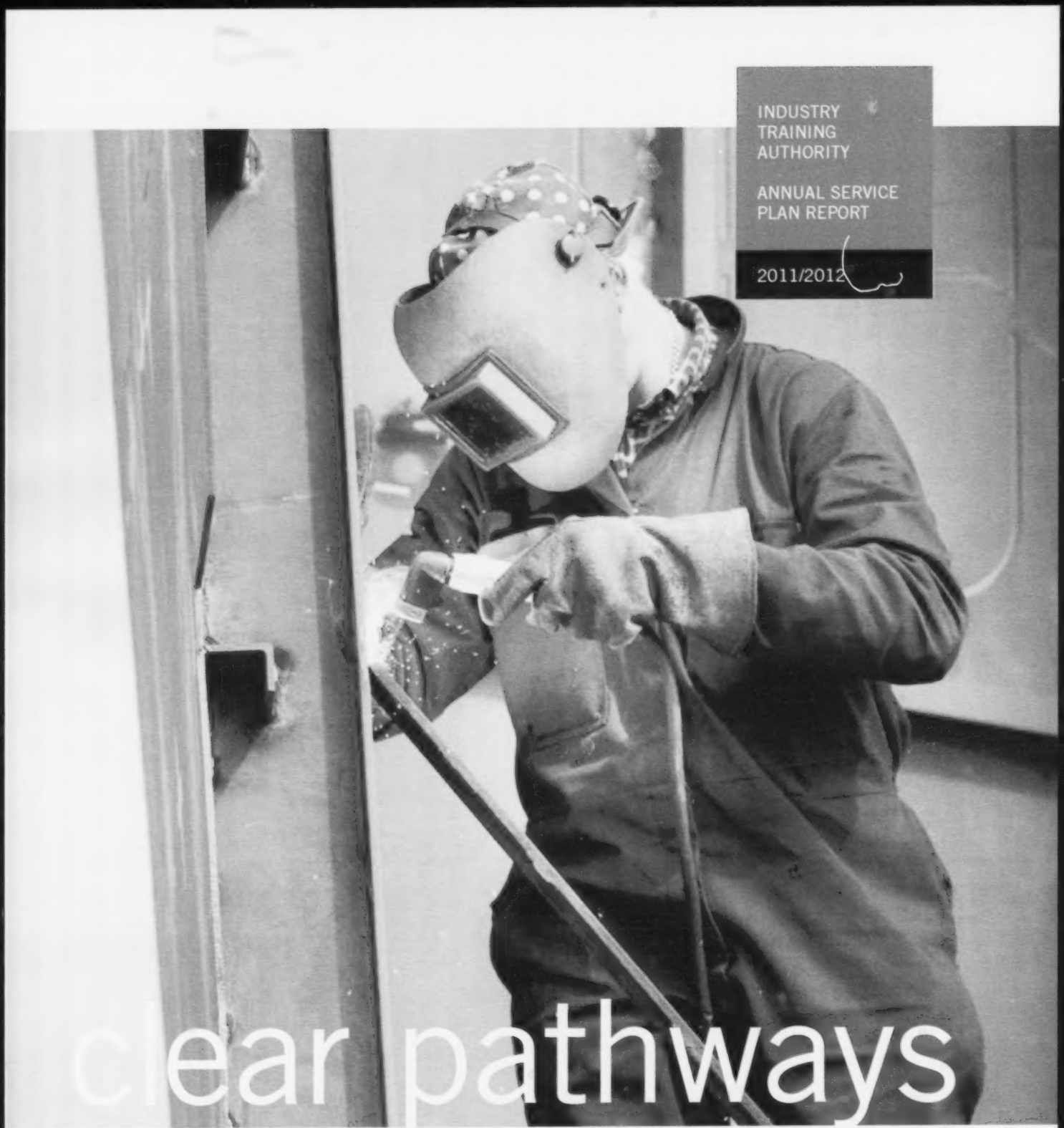


INDUSTRY TRAINING AUTHORITY

ANNUAL SERVICE PLAN REPORT

2011/2012

clear pathways

ita
industry training authority

VISION

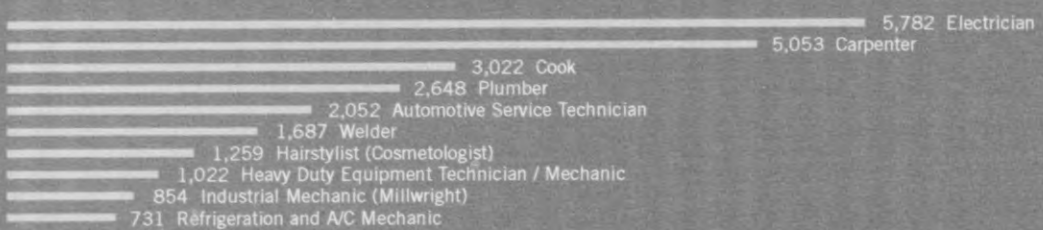
HIGHLY SKILLED AND PRODUCTIVE PEOPLE MAKING BRITISH COLUMBIA'S INDUSTRIES PROSPEROUS AND GLOBALLY COMPETITIVE

MISSION

TO LEAD BRITISH COLUMBIA'S INDUSTRY SKILLS TRAINING AND CERTIFICATION SYSTEM THROUGH COLLABORATION AND INNOVATION

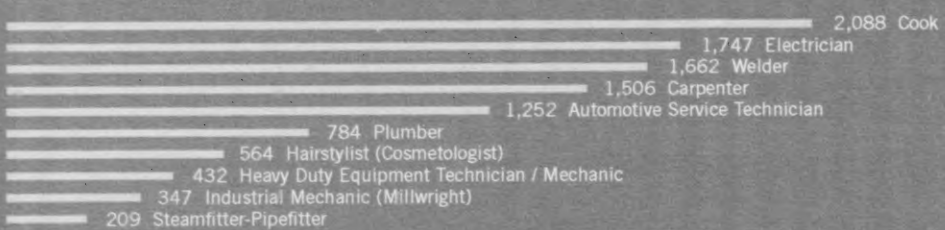
Top Training Programs

Registered Apprentices *as of March 31, 2012*



All other programs: 10,487
Total Registered Apprentices: 34,597

Newly Registered Apprentices *during 2011/12*



All other programs: 4,327
Total Newly Registered Apprentices: 14,918

Figures include youth participants and exclude foundation program participants

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Performance Summary

ITA met targets on four performance measures, and was narrowly below target on three performance measures. The target was missed by a material margin for only one measure, total sponsors. While extensive efforts were made to increase sponsorship, impacts were offset by modestly paced economic recovery. This did not, however, impair performance on certificates of qualification — ITA's primary performance measure — which was well above target. See pages 12–17 for a detailed discussion of all performance outcomes.

Goals	Measures	2010/11 Results	**2011/12 Results**	2011/12 Target	2011/12 Target Met	2011/12 Trend	2012/13 Target	2013/14 Target
The industry training system makes a vital contribution to B.C.'s prosperity	Capacity Utilization	89.3%	**87.8%**	88.5%	No	▼	88.5%	89.5%
	Apprentices Waiting >12 months for Next Level of Training	2.3%	**2.4%**	5.0%	Yes	▲	Measure discontinued	
Employers and industry have the skilled workers they need to be successful	Per cent of Registered Participants in ITO-Managed Programs	95%	**95%**	97%	No	—	Measure discontinued	
	Total Registered Sponsors	9,856	**9,412**	10,600	No	▼	9,500	9,900
	Employment in Trades 6–12 Months After Acquiring Certificate of Qualification	99.6%	**99.2%**	99.3%	No	▼	Measure discontinued	
Individuals are recognized for their skills and knowledge and have opportunities to develop to their full potential	Total Registered Training Participants*	38,277	**38,222**	37,000	Yes	▼	Measure discontinued	
	Registered Challengers	1,670	**1,584**	1,500	Yes	▼	Measure discontinued	
	Certificates of Qualification Issued	7,318	**8,750**	7,000	Yes	▲	7,500	7,750

* Includes apprenticeship, youth participants and foundation program participants

To the Honourable Pat Bell
Minister of Jobs, Tourism and Innovation

THE INDUSTRY TRAINING AUTHORITY (ITA) FOCUSED IN 2011/12 ON PROVIDING CLEAR PATHWAYS TOWARDS WELL-RECOGNIZED CREDENTIALS. A RECORD NUMBER OF BRITISH COLUMBIANS SUCCESSFULLY EARNED CERTIFICATION, BASED ON EITHER TRAINING PARTICIPATION OR RECOGNITION OF EXISTING SKILLS, PROVIDING STRONG EVIDENCE OF THE VALUE ASSOCIATED WITH ITA CREDENTIALS.

Responding to Demand

We issued close to 9,000 Certificates of Qualification – the highest number ever and significantly above our target for the year. This infusion of newly credentialed workers is an important response to anticipated growth in demand for trades skills. It is also an important part of the broader strategy, set out in *Canada Starts Here: The BC Jobs Plan*, to ensure the province's competitiveness and prosperity.

We created clearer pathways in various ways. In the apprenticeship program context, we assessed the continued demand for and viability of all programs, and addressed gaps such as unavailability of exams or required technical training programs. We also completed planning for phased implementation of standard level exams, which will provide important insight to guide the continual improvement of technical training.

For the particular benefit of those seeking credentials based on existing skills – an increasingly important area of emphasis for us – we continued efforts to create more diverse and effective assessment options. We now have the capability to move forward with enhanced-assessment implementation in B.C. trades, and remain actively involved in parallel national efforts.

We are equally committed to providing clear pathways for employers and others who sponsor apprentices, and we worked in tandem with Industry Training Organizations (ITOs) to raise awareness of the importance and value of sponsorship participation.

Positioned for the Future

We were not able to reverse the recent decline in sponsor numbers, the only performance target missed by a significant margin. While we recognize the important role employers play in the apprenticeship system, we also appreciate that economic circumstances this year made it challenging for employers to sustain their involvement. Employers continued to exercise caution and to often hire only as more immediate needs justified.

Earlier in the current period of economic uncertainty we encouraged apprentices who had many hours in their trade to return for the final levels of technical training, and this has contributed to results we see this year for Certificates of Qualification. We were also well above target for registered training participants and challengers – the two input streams on which the future output of credentials depends.

To ensure we are positioned well for the future, we maintained a higher investment in non-employment based foundation programs than is typical when the economy is stronger. This better equips participants to fill job openings as they emerge and keeps technical training capacity intact. We will continue to strengthen the job readiness of foundation program trainees – and to facilitate their transition to apprenticeship – by ensuring the content of their training is focused on what potential employers value most.

Other sustained focal points during 2011/12 included efforts to grow awareness of the attractiveness of trades careers, and delivery of a suite of programs targeted at groups historically under-represented in trades training such as women, immigrants and Aboriginal people. Ongoing customer service improvements also helped make the journey to credential attainment a smoother one.

As in the previous year, softer apprenticeship demand for technical training translated into a financial surplus at year end despite a reduction in overall revenues (the core provincial contribution remained at the same level). Surplus funds are being directed to ongoing improvements in information technology to better support apprentices, sponsors and business processes.

Over the last few years ITA has adopted a training investment strategy that maintains the training capacity needed to support the mid-term economic needs of the province and address forecast skills shortages. This is reflected in lower utilization results this year. The bigger challenge is having sufficient numbers of people able to fill those available training seats, and this is dependent on employer participation in sponsoring apprentices.

This annual report was prepared under the direction of the Board, which is accountable for its content and for the internal controls to ensure its accuracy. In accordance with the *Budget Transparency and Accountability Act* and the B.C. Reporting Principles, the report reflects performance for the year ended March 31, 2012, with reference to the March 2011 Service Plan. All significant decisions, events and identified risks as of May 31, 2012, have been considered.

Frank Pasacreta
Chair

To Our Partners and Stakeholders

AT NO TIME IN BRITISH COLUMBIA'S HISTORY HAS THE PATHWAY TO CONTINUED PROSPERITY AND INDIVIDUAL OPPORTUNITY BEEN MORE CLEAR. A HIGHLY SKILLED WORKFORCE WILL BE THE PIVOT POINT AS THE AVAILABILITY OF HUMAN CAPITAL TRANSCENDS THE AVAILABILITY OF FINANCIAL CAPITAL IN IMPORTANCE.

ITA is fortunate to have an opportunity to play a role as the standards and credentialing body for the skilled trades and custodian of the apprenticeship training pathway to competence. We are heartened by the progress made in 2011/12 and documented in this report. Results were particularly encouraging for new credentials issued – a significant performance measure as it represents the culmination of all our efforts.

Facing the Challenge, Collectively

The effectiveness of B.C.'s industry-driven skilled trades standards, credentialing and training system relies on the collaborative effort of a diverse group of contributors. Success, therefore, reflects the efforts of Industry Training Organizations, industry associations, training providers, labour groups, and school districts to name but a few.

Effectively connecting with those with a stake in industry training must be embedded in ITA's DNA. We strengthened these connections by hosting a significant conference this past year. Called *Facing the Challenge*, the gathering built on the momentum generated by an event in 2010 sponsored by the BC Federation of Labour.

It was an opportunity to collectively envision where we need to be in 10 years, and to plan how to get there. All were nourished by the depth of thought, commitment to action, and cooperative spirit. You'll find full conference proceedings on ITA's web site (**www.itabc.ca/Page1327.aspx**).

We drew on this input as we updated our strategic plan (articulated in ITA's 2012/13 Service Plan at **www.itabc.ca/AssetFactory.aspx?did=2476**). It now incorporates a sharpened focus on clearly defined accountabilities, with which we will align all our activities. This has been translated into a refined set of performance measures, which are discussed elsewhere in this report and laid out in full detail in our most recent Service Plan.

This approach is already reflected in some important 2011/12 outcomes. Working collaboratively with ITOs, for example, we were able to define service-agreement deliverables that are aligned more precisely with our 2012/13 Service Plan. These will result in a measurable increase in the value delivered through these key partnerships during 2012/13 and beyond.

Valued Credentials

One particularly interesting take-away from our stakeholder engagement during 2011/12 is that interest exists in the potential application of ITA standards and credentials outside the context of apprenticeship alone. The value of offering non-apprenticeship credentials is in leveraging additional forms of skill acquisition in which industry is currently investing. ITA's role will be to assess those skills and recognize them through a provincial credential. We look forward to testing such approaches in 2012/13.

It is worth emphasizing that this will not diminish ITA's focus on strengthening the existing apprenticeship pathway we manage. Key 2011/12 initiatives – such as standard level exams, transition of foundation program graduates, and enhanced assessment – speak to that commitment.

It's gratifying to have issued close to 9,000 credentials in 2011/12 that are clearly valued by employers and therefore give the individuals holding them a strong employment edge. Moving forward, we will work to sustain this momentum by focusing on a key condition for further trades training system growth: the number of employers who recognize and act on the conclusion that a commitment to training is key to the future.

Kevin Evans
Chief Executive Officer

ITA and Industry Training: An Overview

Public Purpose

Availability of skilled labour is an important aspect of B.C.'s competitiveness in the global market for investment and features prominently in *Canada Starts Here: The BC Jobs Plan.*

ITA is on the front lines of the province's initiatives to ensure we have the skilled workforce that will be required in the future. Employment in trades occupations accounts for over 10 per cent of total provincial employment, and ITA manages nearly 120 active industry training programs.

ITA's legislative mandate and specific accountabilities are defined in the *Industry Training Authority Act*, and additional direction is provided through an annual Government's Letter of Expectations (see page 21).

ITA works with industry to keep occupational standards current and relevant, provides skills assessment, manages the apprenticeship training pathway and implements a strategy to align the profile and number of newly credentialed workers in the province with labour market needs. Its key outcome is the awarding of provincial credentials (Certificates of Qualifications) that attest to the skills and competency of those who hold them.

ITA has two customer groups, and generates the following public benefits through the services it provides to them:

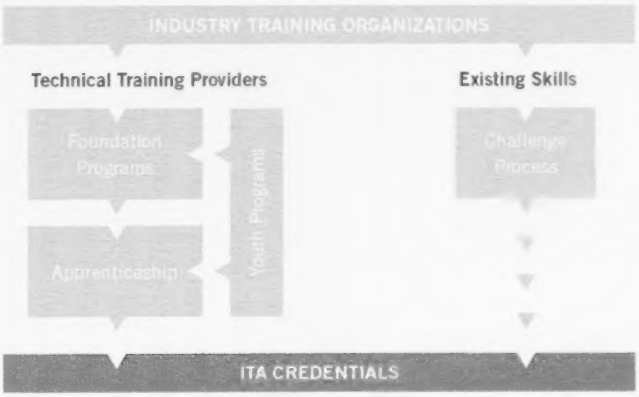
Training Participants and Challengers	Skills acquisition and/or verification that facilitates improved employment and career advancement opportunities
Industry and Employers	Access to a growing pool of workers with recognized skills that align with labour market needs

ITA operates from a single office and customer service centre in Richmond. Information and examination services are also available through Service BC's approximately 60 locations around the province.

Pathways and Partners

Credentials can be achieved either through apprenticeship or, in the case of those who already have the required occupation-specific skills, through the challenge process. Both culminate in examinations, possibly combined with other types of assessment.

In 2012/13 ITA will pilot the expansion of its credentials to training programs outside the apprenticeship model to leverage the learning that is occurring in such contexts.



Industry Training Organizations – Not-for-profit organizations established by specific industry sectors which provide input on program standards and training plans and deliver services (e.g. assessment of challenger applications) as defined in service agreements with ITA. ITA also collaborates with industry associations in smaller sectors where there are more modest levels of industry training.

Technical Training Providers – Public post-secondary institutions, designated private institutions and school districts that deliver apprenticeship technical training, foundation programs and youth programs. Individual training plans define the programs to be provided and related performance measures.

Foundation Programs – Optional, institution-based (classroom or distance learning), introductory programs to enhance the employability of a person seeking an employer to sponsor apprenticeship.

Apprenticeship – Employment-based programs (a sponsor is required) that combine experiential on-the-job learning with technical training provided by designated training providers through short-duration in-class sessions.

Youth Programs – Programs designed for secondary school students that provide dual K-12 and ITA credits. These programs expose youth to the trades and also position them to be ready to start an apprenticeship with a sponsor.

Challenge Process – An opportunity for people to earn a credential based on informal skills acquisition or training outside B.C.; requires one-and-a-half times the number of hours of work experience required for an apprenticeship, and successful completion of an assessment.

ITA Core Business Areas

Department	Responsibilities
Program Standards	Development and maintenance of B.C. training program standards, and integration of national Red Seal requirements as appropriate, in coordination with industry, training providers and other stakeholders
Customer Service	Frontline services to current and prospective apprentices, other trainees and sponsors; maintenance of records; administration of exams; and first point-of-contact for other stakeholders
Training Delivery	Management of foundation programs and apprenticeship technical training, in coordination with the public and private trainers contracted to provide these services
Strategic Initiatives	Identification and management of strategic innovation opportunities and special projects aligned with ITA's strategic direction
Labour Supply Initiatives	Expansion of means of accessing and participating in industry training, with a particular focus on target groups including Aboriginal people, foreign-trained workers, women and youth
Communications	Promotion of public awareness of skilled trades careers and provision of information to employers, apprentices and challengers to enable them to access training and certification
Corporate Support	Corporate financial management, procurement, human-resources management and IT support

Governance

The nine members of **ITA's board of directors** are appointed by cabinet and are accountable to the Minister of Jobs, Tourism and Innovation for delivery on performance expectations defined in ITA's approved Service Plan and Government's Letter of Expectations.

Directors' fiduciary responsibility is to act in the interests of the organization as a whole. They do not represent defined constituencies or interests.

Directors are appointed for varying terms, based on principles and processes established by the B.C. Government's Board Resourcing and Development Office (BRDO). David Fehr and Allan Bruce were appointed to the Board during 2011/12, while Suromitra Sanatani resigned (Allan Bruce had served as a director previously).

Selection criteria and ongoing director development ensure the Board has an appropriate mix of expertise and geographic and sectoral diversity, and that it is well equipped to provide high-level oversight of ITA's pursuit of its mandate.

ITA adheres to best practices guidelines established by the BRDO, including its governance-related disclosure requirements (see **http://www.itabc.ca/Page59.aspx**).

Board of Directors

Members	Key Roles	Principles and Key Practices
Frank Pasacreta (board chair and ex officio member of all committees) Allan Bruce Jack Carthy Jack Davidson David Fehr Tom Kirk Kurt Krampl Patty Sahota Laura Stanton	• Set vision and strategic direction for senior management execution • Ensure risk-management measures are in place • Ensure effective use of resources • Hold management accountable for defined performance results • Report to government, stakeholders and the public	• Directorial independence • Meaningful management oversight through close working relationship with CEO • Adherence to Code of Conduct and Conflict of Interest Policy • Continual improvement through annual governance assessment and best practices monitoring • Clarity and transparency regarding governance practices

Committee: Finance (Audit)

Members	Mandate
J. Carthy (chair), J. Davidson, P. Sahota, L. Stanton	Oversight re financial systems, funding and budget allocations, risk and internal controls, external audit and compliance

Committee: Governance

Members	Mandate
K. Krampl (chair), A. Bruce, J. Carthy, T. Kirk	Governance policy, board effectiveness, director development and appointment criteria

Committee: Human Resources

Members	Mandate
T. Kirk (chair), A. Bruce, D. Fehr, K. Krampl	Human resources and compensation policy

ITA Executive and Senior Management Team

as of May 2012

Report on Performance

ITA achieved significantly **above-target performance** on total Certificates of Qualification issued in 2011/12.

This measure provides the most direct indication of the scope of ITA's contribution to meeting labour demand, and is the key outcome in which input-based performance measures (particularly training participants and challengers) culminate.

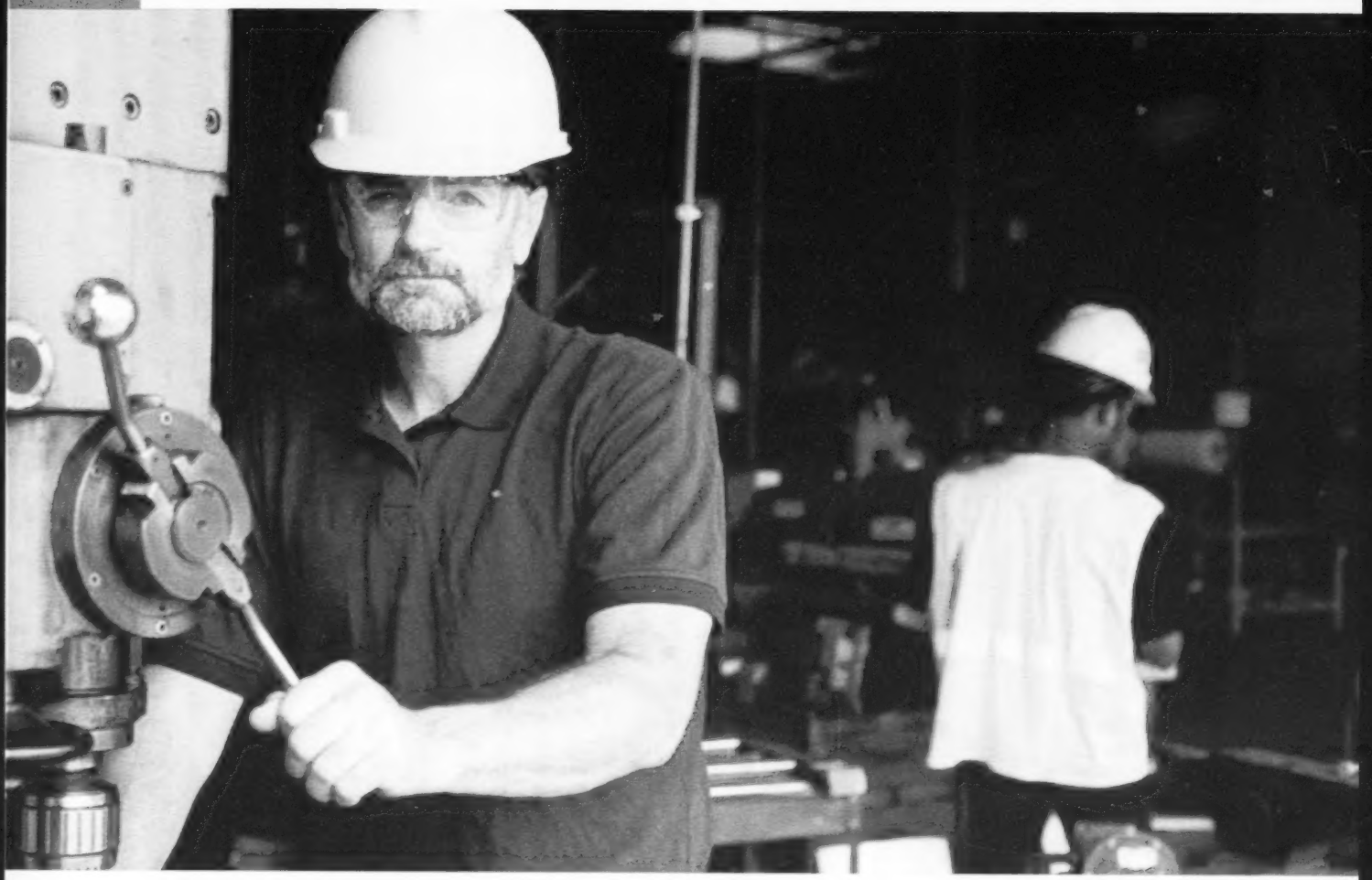
In total, ITA met or exceeded targets on four of the eight performance measures defined in its 2011/12 Service Plan. Targets for capacity utilization, per cent of registered participants in ITO-managed programs, and post-certification employment were missed by narrow margins. The only measure on which the target was missed by a material margin was total sponsors.

Operating Environment

The table at the right identifies high-level features of ITA's operating environment in 2011/12 that are believed to have influenced results, and which represent a mix of opportunities and risks often with capacity-related implications. Key management responses – aspects of which are elaborated on in the subsequent discussion of specific performance results – are also summarized.

Influencing Factor	Impacts	Responses
Demand for Credentials	Since ITA credentials are not mandatory conditions of employment, the extent to which they are pursued is a function of the value individual candidates perceive them to have, which in turn is largely a function of the value employers associate with them. Strong perceived value is believed to have favourably influenced performance on Certificates of Qualification and related input measures. This improves the likelihood of being able to adjust the output of credentialed workers as labour demand requires.	• ITA continued to closely collaborate with industry to ensure credentials and underlying standards remain well-aligned with workplace needs – this being key to the value employers associate with them. • ITA continued to strengthen the apprenticeship model through preparation for introduction of standard level exams and a focus on improved job-readiness of foundation and youth program trainees. • ITA will continue to expand its ability in enhanced assessment of skills required for an ITA credential. • ITA will test industry's interest in expanding its standards and credentials to non-apprenticeship, provincial programs (ITA would not fund the skills acquisition needed to achieve the credential). • ITA intends to build on recent marketing efforts to further enhance the brand value associated with its credentials.
Moderately Paced Employment Recovery	Total employment in B.C. continued to grow, but at a moderate pace of 0.8% in 2011 over 2010, with a forecast of 0.9% growth in 2012.[1] Notwithstanding projections of stronger mid-term labour demand, employers remained cautious about hiring. This reflects generally better but still mixed performance on key economic indicators, and sustained external risks such as the possibility of a return to recession in the U.S. Ongoing re-absorption of people who lost employment during the recession also likely reduced positions available to new labour-market entrants. Hiring caution is likely most acute in the context of what are commonly seen as discretionary apprenticeship hires, and likely negatively influenced sponsor participation. Continued economic uncertainty also influenced the demand for technical training, and this is reflected in lower capacity utilization.	• ITA both expanded its outreach and enhanced the resources available to potential sponsors in 2011/12. Research involving a large sample of former sponsors underscored how essential a stronger business case for expanded hiring is to sponsorship growth. • Below-target performance on sponsorship did not, however, prevent target achievement on either training participation or (more importantly) Certificates of Qualification. This suggests the required scope of sponsorship was over-estimated and targets were revised down in ITA's most recent Service Plan. • While ITA will continue to track sponsor numbers, its emphasis will shift to measurement of the benefits sponsors associate with their participation, an outcome over which the organization has more control.
Growing Skills Recognition Needs	Credentials based on recognition of existing skills are increasingly important in light of reliance on in-migration to meet labour demand, and the resulting imperative to effectively integrate people who acquired their skills outside B.C. into the workforce. Net migration into the province is forecast to increase to 47,000 in 2012 from an estimated 32,500 in 2011, with the large majority from outside Canada.[1] Assessment effectiveness likely influenced performance on the challenger measure, which in turn contributes to Certificates of Qualification issued.	• ITA continued to advance development and implementation of enhanced assessment options for challengers, both within B.C. and nationally in cooperation with other jurisdictions (see page 13). • ITA continues to provide programs specifically designed to facilitate training and certification on the part of new immigrants (with comparable programs for women and Aboriginal people), and to apply relevant learnings more broadly within its program design and delivery.
Projected Labour Demand Growth	Annual average growth in trades demand is projected to average 1.2% in 2010–2020, exceeding supply growth of 0.9%, and creating the potential for an excess in demand over supply of 2,340 positions.[2] This enhances employment prospects for people pursuing trades training, which may favourably influence recruitment into training programs. There is nevertheless an inherent risk, magnified by demographic trends, that workers will not be credentialed in sufficient numbers or with sufficient alignment to meet mid-term labour demand.	• ITA responded to the risk factor by moderating utilization rate targets and thereby maintaining technical training capacity in spite of demand for training that remained relatively moderate in 2011/12. • Increased investment in foundation programs also enabled more people to be positioned well for an apprenticeship when employers are ready to hire. • Standards development also continued to be closely informed by ITOs and other industry associations ensuring close alignment to the skills needs of employers. • ITA continued to utilize the government's labour market information to inform and align its apprenticeship training investment.

[1] Budget and Fiscal Plan 2012/13-2014/15: Ministry of Finance [2] BC Trade Occupations Outlook: November 2011



Performance Measures

The 2011/12 Service Plan established an evaluation framework that focused on the benefits ITA creates for B.C. as a whole, as well as for its key customer groups – individuals seeking training and/or skills recognition, and industry and employers.

The eight measures include:

- Certificates of Qualification
- Three inputs that determine the number of Certificates of Qualification awarded:
  - total registered sponsors
  - total registered training participants
  - total registered challengers
- Three indicators that relate to resource deployment and industry engagement:
  - capacity utilization
  - technical training wait times
  - per cent of training participants in ITO-managed programs
- An additional "downstream" employment related outcome

These measures were also deemed to meet general performance-management criteria including an ITA ability to influence results, measurability, stakeholder relevance, and potential to serve as a basis for improvement. Past performance, capacity and other operational considerations, and desired outcomes (with particular reference to labour demand) inform the targets. Measure-specific considerations are elaborated on below.

The performance management framework on which ITA Service Plans are based is an outcome of strategic planning at the Board level, typically undertaken every three years. The Service Plan for 2011/12 was the third one based on the existing framework, and an updated strategic plan was developed during the year. The results of this update are articulated in ITA's 2012/13 Service Plan.

Consequently, that Service Plan is significantly revised, although with continuity in the high-level outcomes sought. The new plan emphasizes aspects of performance for which ITA is best positioned to take accountability and where its unique value proposition is most compelling.

ITA's 2012/13 Service Plan is available at: **www.itabc.ca/AssetFactory.aspx?did=2476**. The measures reported on in this document are addressed as shown below in the most recent Service Plan. All discontinued measures will continue to be tracked outside the annual report context.

Capacity utilization	Continued in 2012/13 plan
Apprentices waiting >12 months for next level of training	Discontinued – while wait times may increase as training demand recovers, this measure is not expected to return to a level that would represent a significant risk
% of registered participants in ITO-managed programs	Discontinued – this was an important measure in the early phase of ITO operations as it measured the growth in ITO participation in the system, however, there is now little likelihood of significant variation
Total registered sponsors	Continued in 2012/13 plan
Employment in trades 6–12 months after certification	Discontinued – this measure has been at a consistently high level in recent years, with little likelihood of significant variation
Total registered training participants	Discontinued – these measures are significant mainly as indicators of future performance relative to Certificates of Qualification issued
Registered challengers	
Certificates of Qualification issued	Continued in 2012/13 plan

Additionally, the 2012/13 Service Plan contains **four new measures:**

- ITA investment per credential issued (previously tracked)
- Continuation rates from foundation and youth programs to apprenticeship (previously tracked)
- Satisfaction of employers and credential holders with ITA credentials (methodology and baseline to be developed)
- Sponsor value index measure (methodology and baseline to be developed)

The Apprenticeship Edge

These ads ran in a variety of general interest and business publications in 2011/12, along with a parallel radio campaign. Featuring the perspectives of apprenticeship sponsors, they were part of ITA efforts to encourage more employers to invest in training.

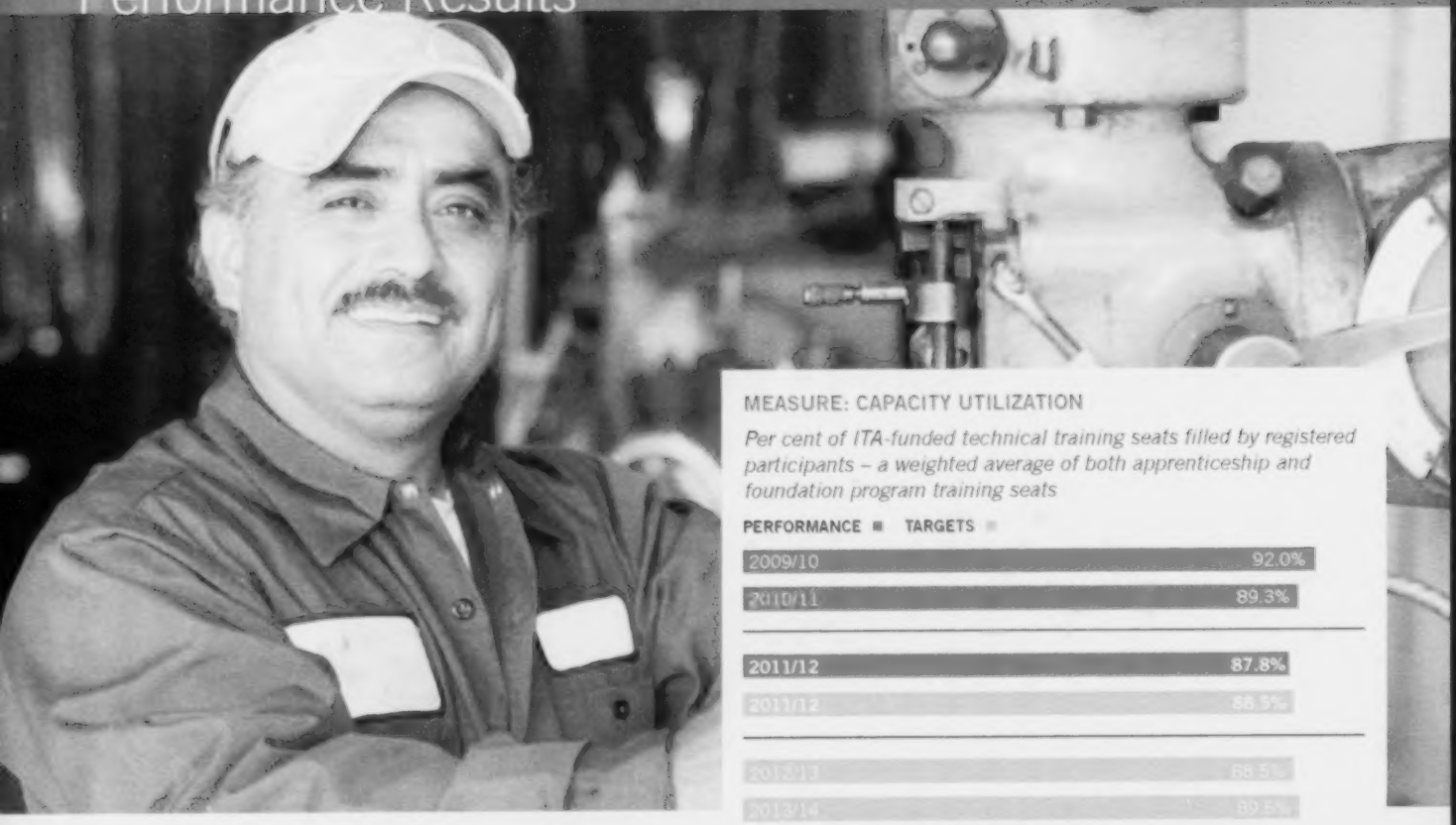
Apprenticeship is working for me.
As a business owner, hiring an apprentice just makes good sense.
It pays to hire an apprentice.
ITAapprentices.ca / 1-866-660-6011

Apprenticeship is working for me.
As a business owner, hiring an apprentice just makes good sense.
It pays to hire an apprentice.
ITAapprentices.ca / 1-866-660-6011

"As an employer, there's no better way to ensure stable, efficient growth in your company than to hire and support apprentices. As they grow and learn they bring fresh new ideas, giving you a competitive edge that adds value to your business."

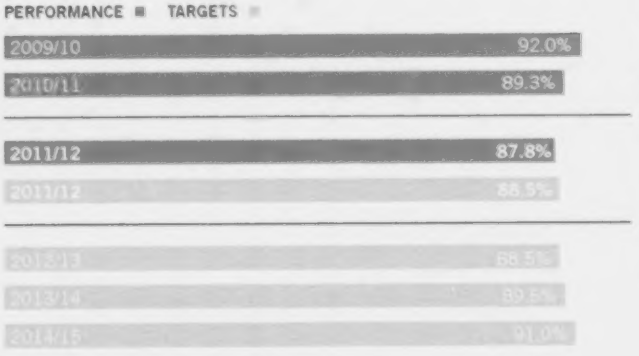
Bruce Sutherland, President Wolftek Industries Inc., Prince George

Performance Results



MEASURE: CAPACITY UTILIZATION

Per cent of ITA-funded technical training seats filled by registered participants – a weighted average of both apprenticeship and foundation program training seats



Goal 1

The industry training system makes a vital contribution to B.C.'s prosperity

STRATEGIES

- Support ITO-led and sector-specific efforts to develop strong training cultures
- Improve the efficiency and prioritization of program standards-related work
- Use occupational performance standards to better align training outcomes with industry requirements and to strengthen standards development
- Improve collaboration and leverage resource efficiencies among Red Seal partner jurisdictions
- Provide feedback to training providers to support their delivery of high-quality technical training against ITA program standards (continuous improvement)
- Raise awareness of skilled trades careers, the ITA brand and the value of ITA credentials

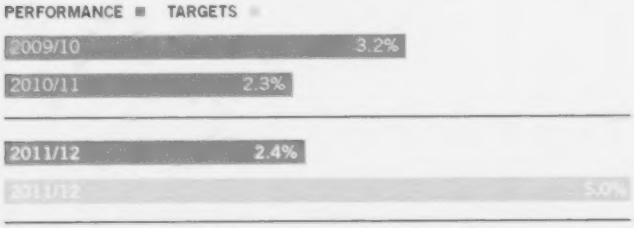
Importance: Investment in technical training delivery accounted for 72 per cent ($74.8 million) of total ITA expenditures in 2011/12. Training plans are developed to maintain the capacity needed to support the future apprenticeship training needs of the B.C. economy. They accommodate year-specific demand by type and level of training, and by program and region; and ensure efficient deployment of the diverse training providers available. While higher utilization rates indicate more efficient use of training funds, targets also account for the need to maintain training capacity during periods of temporarily reduced demand.

Outcomes: Performance was slightly below target in 2011/12 although not by a significant margin. The utilization reduction from 2010/11 confirms the extent to which apprenticeship training demand further moderated – consistent with demand declines observed during and following previous economic downturns. The foundation program component of the utilization rate also declined from the very high level of 2010/11. Capacity utilization at the level achieved balanced resource-use efficiency with maintenance of the apprenticeship training capacity that will be required to meet mid-term labour demand.

Outlook: Targeted performance remains at a consistent level for 2012/13. Consistent with labour-market projections that suggest training demand will subsequently increase, higher capacity utilization is targeted in the following years as the economy continues to recover.

MEASURE: APPRENTICES WAITING >12 MONTHS FOR NEXT LEVEL OF TRAINING

Per cent of apprentices whose wait times between consecutive levels of technical training exceed 12 months



Importance: Excessive waiting times for apprenticeship technical training delay attainment of credentials and likely result in non-completion on the part of some participants. While 11 per cent of all apprentices were exceeding a 12-month waiting time benchmark in 2006/07 when this measure was first tracked, the percentage has steadily declined since as government increased its investment in apprenticeship training capacity. The five per cent target represents an optimal balance between minimizing wait times and using available capacity efficiently.

Outcomes: Performance held essentially steady from 2010/11 and only a modest number of training participants had wait times exceeding the 12-month benchmark in 2011/12. This reflects strong alignment between training availability and demand, and a temporary reduction in training demand linked to recent economic conditions (combined with moderated capacity utilization targets).

Outlook: While wait times will continue to be monitored, they are not included among 2012/13 Service Plan measures. Performance on this measure is likely to return to closer to the five per cent target as training demand recovers, but it is not expected to return to a level that would represent a significant constraint on apprentices progressing towards a credential.

Enhanced Assessment Moves to Implementation Phase

ITA ended 2011/12 positioned to move forward with phased and financially sustainable implementation of enhanced assessment in B.C. training programs. Pilots in hospitality and transportation-related trades concluded and provided the necessary operational insights; and broad consultations confirmed a strong interest in wider use of enhanced assessment, with the caveat that approaches need to be highly trade specific.

Enhanced assessment combines traditional written exams with practical evaluations and other means of verifying skills. It has the potential to more effectively gauge whether a candidate is ready for certification, particularly in the context of the challenge process. It is likely to be particularly valuable in assessing skills acquired outside B.C.

ITA expects to begin development of the necessary performance standards and assessment tools in additional B.C. trades in 2012/13. It will also remain actively engaged in national efforts – which the Canadian Council of Directors of Apprenticeship committed in 2011/12 to pursue – to more fully assess and begin to implement enhanced assessment for Red Seal trades. National assessment tools, when available, will be an important resource to leverage in implementing enhanced assessment in B.C.

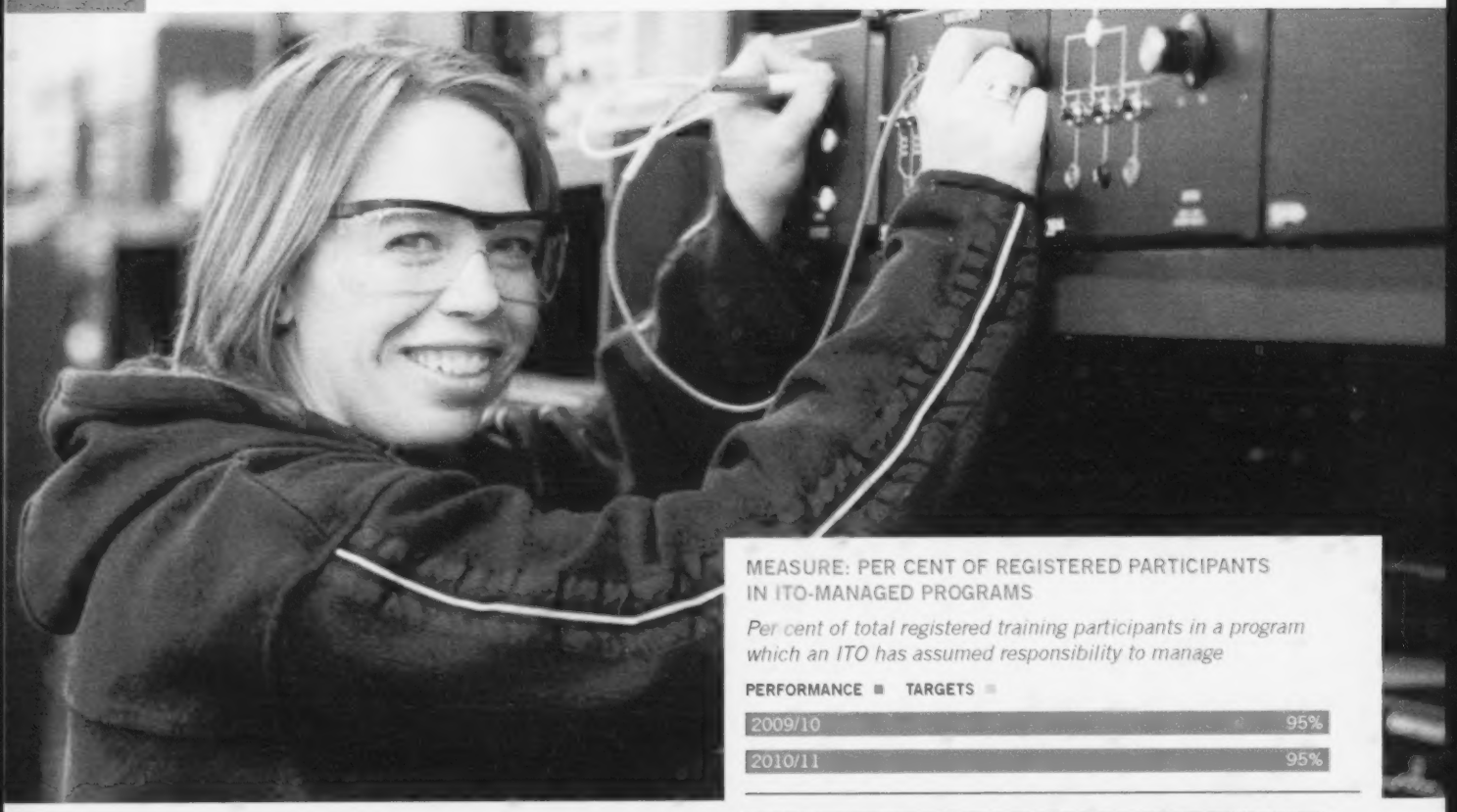
Better Supporting Apprentices and Sponsors

What kind of additional supports could increase participation in and completion of apprenticeship programs? It's a key and commonly asked question, and the subject of an ITA research project in 2011/12 that included focus groups with apprentices and sponsors around the province.

Some of the most commonly raised issues that are directly within ITA's scope of responsibilities related to: implementation and use of ITA Direct Access, effectiveness of ITA's web site, effectiveness of pre-apprenticeship, and availability of technical training.

Research insights helped guide the further improvement of ITA's customer service in 2011/12. This included enabling apprentices and sponsors to directly access their records via ITA Direct Access, and a new "ticketing" system giving service representatives access to information on prior customer contact. Telephone, fax and email upgrades helped enable ITA to meet increased service-level targets. Development of an improved web site also proceeded, for launch in 2012/13.

Additionally, ITA's research informed broader strategies for 2012/13 and beyond, including a renewed emphasis on continuation from pre-apprenticeship to apprenticeship, and plans to offer enhanced support to sponsors of multiple apprentices. A new measure of employer and credential-holder satisfaction, incorporated into ITA's most recent Service Plan, will also help ensure a sustained customer-service focus.



MEASURE: PER CENT OF REGISTERED PARTICIPANTS IN ITO-MANAGED PROGRAMS

Per cent of total registered training participants in a program which an ITO has assumed responsibility to manage

PERFORMANCE ■ TARGETS ■	
2009/10	95%
2010/11	95%
2011/12	**95%**
2011/12	97%

Measure discontinued

Goal 2

Employers and industry have the skilled workers they need to be successful

STRATEGIES

- Leverage ITO-led employer-engagement efforts to increase sponsorship, ensure skill requirements reflect job site needs, and embed a strong training culture in B.C. workplaces
- Use occupational performance standards to better align competency assessment with industry requirements and to strengthen standards development
- Use labour-market forecasting and industry input to align training-delivery capacity with B.C.'s regional economic needs
- Improve ITA's understanding of critical success factors for trainee and challenger attainment of ITA credentials and of employer/sponsor support requirements

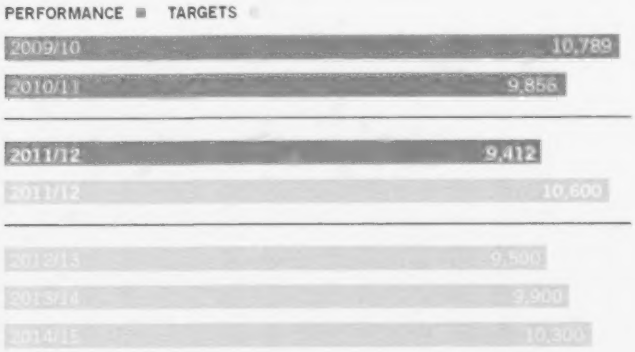
Importance: ITO management of specific training program standards is an indicator of the extent to which the industry-driven model has been fully operationalized, and increased from 88 per cent in 2006/07 to 95 per cent in 2009/10. The 97 per cent target was set with reference to typical participation for those programs that do not fall within the sectoral scope of existing ITOs.

Outcomes: Two ITOs each assumed responsibility for an additional trade in 2011/12 (Automotive Training Standards Association for Appliance Service Technician, and HortEducationBC for Utility Arborist). As both programs have small numbers of registered participants, the per cent of registered participants in ITO-managed programs remained unchanged and below target, although not by a significant margin.

Outlook: While this measure will continue to be monitored, it is not included among 2012/13 Service Plan measures, as it has now served its purpose of gauging the adequacy of growth of ITO participation in standard setting. Programs for which the Residential Construction Industry Training Organization formerly had responsibility (see page 41) will no longer be ITO managed, but represented less than one per cent of total participants as of the end of 2011/12. As it does in some other sectors, ITA expects to collaborate directly with industry associations on residential construction program management.

MEASURE: TOTAL REGISTERED SPONSORS

Number of entities – primarily employers but also including associations, unions and joint training boards – sponsoring one or more active apprentices



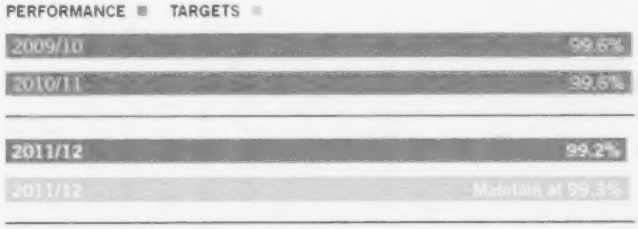
Importance: Apprenticeship remains the most common way in which people earn industry training credentials in B.C., and depends on the availability of employers and employer representatives willing to hire apprentices and supervise their training. This measure reflects hiring and apprenticeship training-investment decisions and therefore provides an important indication of the scope of demand (current and anticipated) for skilled labour. Targets are set with reference to the target for total registered training participants, and to the outlook for industry hiring capacity. They were revised for 2012/13 and 2013/14 (from 11,000 and 11,200) in ITA's most recent Service Plan.

Outcomes: The number of total registered sponsors declined further from a peak level in 2008/09. This was the only measure on which performance fell short of target by a material margin (11 per cent). In collaboration with ITOs, ITA engaged with employers in an effort to encourage and facilitate increased sponsorship participation. While this is believed to have heightened awareness of the importance of training investments through apprenticeship, any impact on sponsorship was offset by employment recovery that remained modestly paced and likely focused on re-absorption of experienced workers. Sponsorship, however, is of primary interest for the influence it has on achieving targets for issuing Certificates of Qualification. Achievement of that target in 2011/12 suggests the required scope of sponsorship was over-estimated.

Outlook: In a combined recruitment and research effort, ITA contacted 500 former sponsors in 2011/12. While more than one-fifth requested a sponsor registration package, only two per cent had become active sponsors again by year end. The findings strongly indicate that economic conditions were the key constraint on sponsorship participation. While future sponsor recruitment efforts will be adjusted based on this insight, it confirms that the strengthening outlook for industry hiring capacity can be expected to support resumed sponsorship growth.

MEASURE: EMPLOYMENT IN TRADES 6–12 MONTHS AFTER ACQUIRING CERTIFICATE OF QUALIFICATION

Per cent of former apprentices employed in relevant trades 12 months after acquiring Certificate of Qualification; based on the Apprenticeship Student Outcomes (APPSO) Survey of individuals completing technical training programs in the year ending June 30, 2010



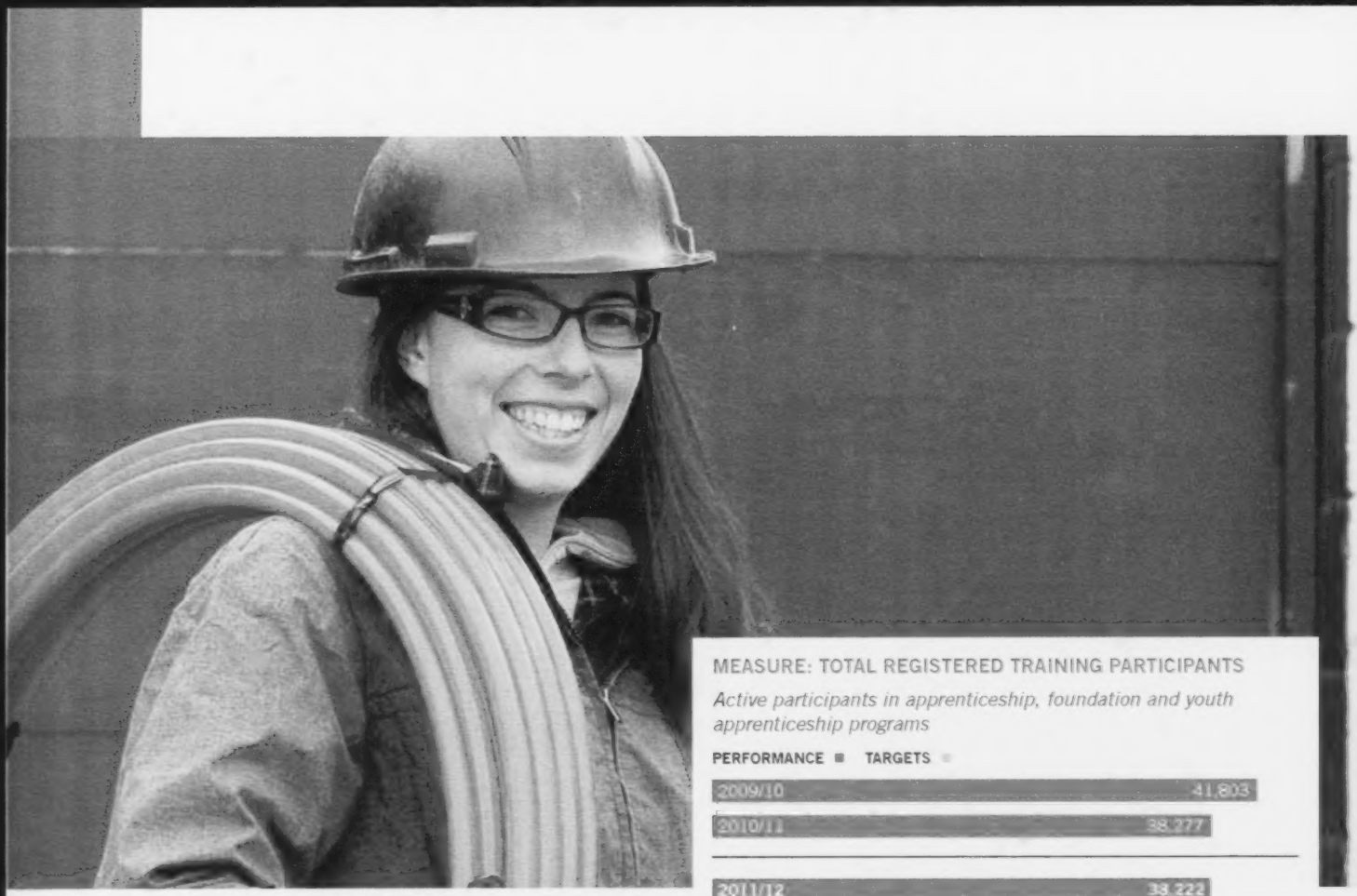
Importance: Post-apprenticeship employment in a relevant trade is an indicator of the quality and relevance of the training received, and of resulting employability. The target has been to maintain strong baseline performance achieved in 2008/09.

Outcomes: Performance held essentially steady from 2010/11, and was below target although not by a significant margin. This strong performance contrasts with reduced employer capacity to hire inexperienced employees, as reflected in reduced sponsorship levels, and confirms that apprenticeship completion results in competitive employability even under current economic conditions.

Outlook: While this measure will continue to be monitored it is not included among 2012/13 Service Plan measures, since performance has remained strong even during a relatively severe economic downturn, and there is little likelihood of significant variation.

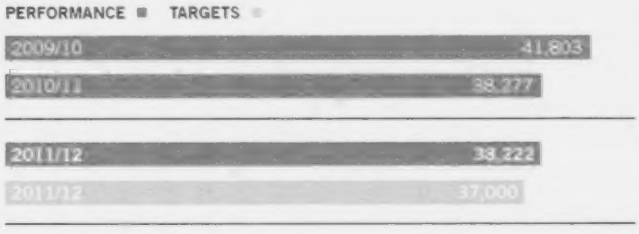
"Seventy-one per cent of employers agreed that there will be a shortage of skilled workers in their industry in the future. About a quarter of employers cited hiring more apprentices as their preferred strategy to mitigate future skill shortages."

Employers and Apprenticeship in Canada, Canadian Apprenticeship Forum, summary of 2011 survey findings



MEASURE: TOTAL REGISTERED TRAINING PARTICIPANTS

Active participants in apprenticeship, foundation and youth apprenticeship programs



Measure discontinued

Goal 3

Individuals are recognized for their skills and knowledge and have opportunities to develop to their full potential

STRATEGIES

- Use labour-market forecasting and industry input to align training-delivery capacity with regional economic needs of the province
- Focus on enhancing training participation of women, Aboriginal people, immigrants and youth
- Expand and integrate use of essential skills assessment to support training entry and progression
- Leverage occupational performance standards to expand availability and use of alternative assessment models to attain ITA credentials
- Translate the findings of research into trainee and challenger "supports for success" into a strategy that enhances completion rates
- Position skilled trades as attractive and viable career option

Importance: Apprenticeship participation is the most common pathway towards an ITA credential, and the total number of registered participants is an indicator of the number of workers who will be credentialed in subsequent months and years. Targets align with the overall mid-term B.C. labour market outlook, while also taking into account recent participation and sponsorship levels.

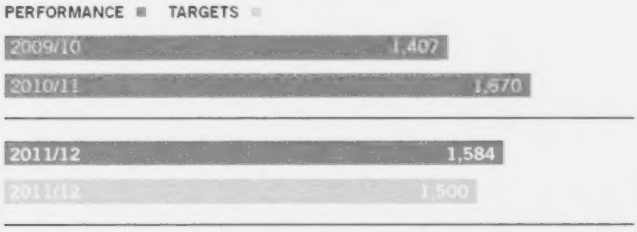
Outcomes: The number of total training participants was essentially the same as in in 2010/11, down from a peak level in 2008/09 but above the 2011/12 target. Increased investment in non-employment based foundation programs contributed to target achievement. This had the further benefit of maintaining training capacity in anticipation of recovery from a temporary reduction in apprenticeship demand.

Outlook: While this measure will continue to be closely monitored, it is not included among 2012/13 Service Plan measures. As with the number of registered challengers, it quantifies a candidate pool rather than the final outcome that most directly indicates if labour demand is being met; namely, Certificates of Qualification issued.

See benchmark comparisons, page 19.

MEASURE: REGISTERED CHALLENGERS

Individuals approved to be assessed for credentials based on previous experience and existing skills



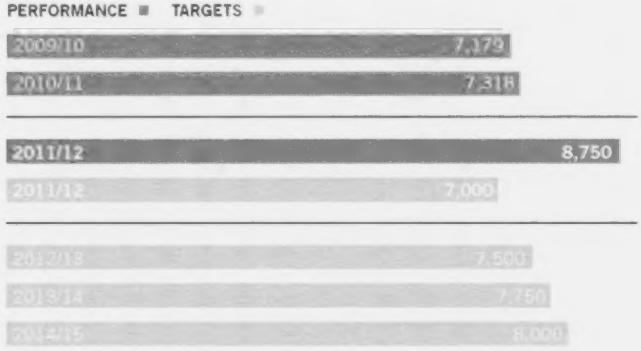
Importance: The challenge process is an alternative pathway towards an ITA credential, and also an indicator of the number of workers who will be credentialed in subsequent months. An efficient challenge process avoids unnecessary re-training of people who already possess relevant skills, including foreign-trained workers, and facilitates effective workforce integration. Targets align with the overall mid-term B.C. labour market outlook while also taking into account recent participation.

Outcomes: Targeted performance was achieved, providing strong evidence of the value attached to ITA credentials. The number of challengers was down from 2010/11, but this was due to the impact during that year of new mandatory certification requirements for crane operators and of expanded availability of progressive credentials (i.e., credentials associated with specific levels of training) in some trades.

Outlook: While this measure will continue to be closely monitored, it is not included among 2012/13 Service Plan measures. As with the number of registered training participants, it quantifies a candidate pool rather than the final outcome that most directly indicates if labour demand is being met; namely, certificates of qualification issued. Implementation of enhanced assessment options is expected to further increase challenger numbers.

MEASURE: CERTIFICATES OF QUALIFICATION ISSUED

Credentials issued on successful completion of an apprenticeship or challenge process (does not include certificates for foundation program completion)



Importance: The total number of Certificates of Qualification issued is a direct measure of the number of individuals who possess verified and workplace-relevant skills. In most cases, certificates are issued upon training program completion, and therefore represent new skills development. Certification has significant benefits for individual credential holders, for employers seeking workers, and from the standpoint of B.C.'s competitiveness. Targets align with the overall mid-term B.C. labour market outlook, while taking into account recent participation trends and typical training progression.

Outcomes: There has been consistent year-over-year growth on this measure since ITA's inception in 2003/04. After moderating in 2010/11, that growth returned to a more typical level of 20 per cent in 2011/12, and therefore significantly exceeded the target. Specific factors contributing to higher-than-targeted growth had not yet been identified when this report was prepared, although factors such as increased investment in Level 3 and Level 4 technical training over the last couple of years, and improved exam scheduling and processing of challenger applications, likely contributed. As with strong performance relative to registered challengers, this outcome is strong evidence of the value attached to ITA credentials.

Outlook: Targets for this measure were adjusted downward in each of ITA's last two Service Plans in anticipation of a negative impact due to recent economic conditions and constrained sponsorship opportunities (an expectation that appeared to be borne out by the significant reduction in growth in 2010/11). Targets for 2012/13 and beyond may be re-assessed, depending on whether year-specific factors are found to have significantly contributed to 2011/12 performance.

See benchmark comparisons, page 19.

Data Sources and Benchmarks

Data Sources

ITA Direct Access is an information management system that provides customer service functionality and acts as the data source for most of the performance measures include in this plan.

Measure	Data Source
Registered training participants **Registered challengers** **Certificates of qualification** **Registered sponsors**	ITA Direct Access
Participants in ITO-managed programs	ITA Direct Access, cross-referenced with ITO program assignments
Employment in trades	Annual Apprenticeship Student Outcomes (APPSO) Survey, BC Stats
Waiting times	Technical training provider data

ITA Direct Access was designed to meet operational and performance-management requirements specific to ITA, and its use is guided by clear data-entry procedures and business rules. Management has full confidence in the quality of the resulting data and in the accuracy of any additional calculations required. Management is similarly confident in external data sources, given the application of industry-standard best practices and quality assurances by BC Stats, and adherence to a consistent calculation methodology by training providers.

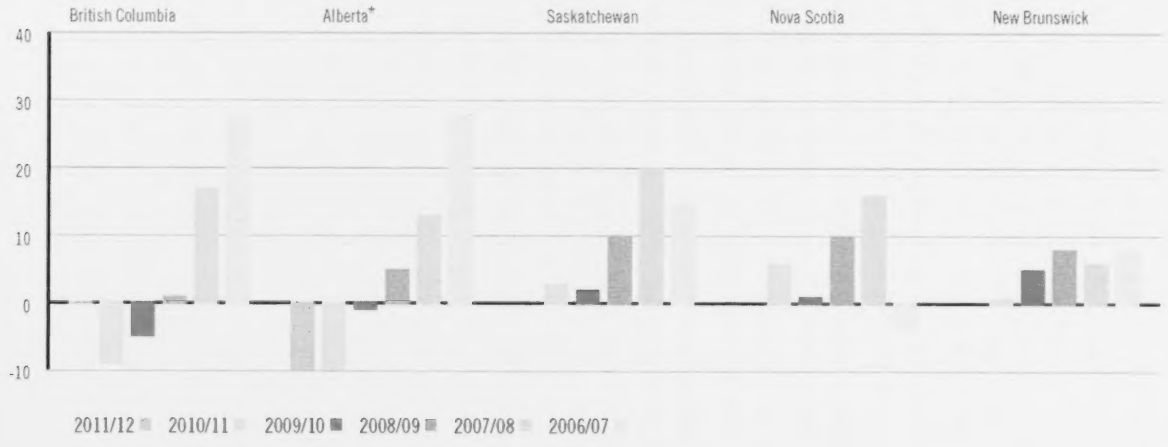
Benchmarking

Benchmark comparisons for registered training participants and Certificates of Qualification issued, in B.C. and four other provinces, appear at right (most recent years for which data were available when this report was prepared).

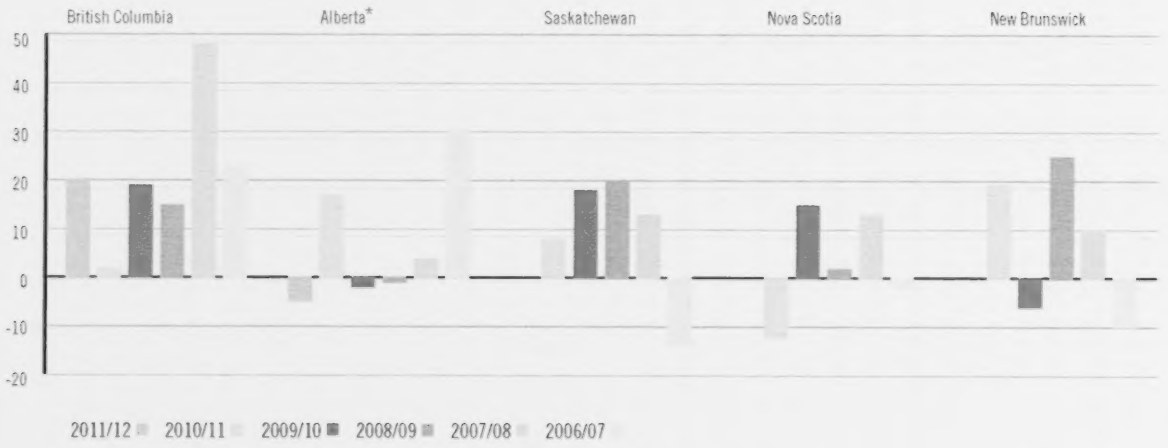
While B.C. has frequently outperformed other jurisdictions as measured by percentage increases over the period shown, the high degrees of variability suggest the limited utility of inter-jurisdictional benchmarking. This is due to significantly different training frameworks, programs and labour market conditions.

More meaningful benchmarking is provided by the comparisons on page 43 of B.C. and national pass rates for major Red Seal trades in calendar 2011. With only one exception, total B.C. pass rates are higher than the national average. This suggests comparatively high-quality training in these trades in B.C., with beneficial impacts for the number of certificates of qualification issued.

Total Participation (in percentage increase over previous period)
(B.C. Measure: Registered Apprentices and Youth)



Credentials (in percentage increase over previous period)
(B.C. Measure: Certificates of Qualification issued)



* Alberta reports performance on a calendar-year basis. 2006/07 equates to 2006, and so on.

Sources and Measures Cited:

Alberta
Alberta Apprenticeship and Industry Training Board Annual Report
— Total Apprentices Registered (all trades)
— Total Number of Completed Apprentices, and Individuals Issued Occupation and Qualification Certificates

Saskatchewan
Apprenticeship and Trade Certification Commission Annual Report
— Number of Apprentices at Year End
— Number of Completions During Year

New Brunswick
Department of Post-Secondary Education, Training and Labour Annual Report
— Registered Apprentices
— Certificates of Qualification Issued

Nova Scotia
Nova Scotia Labour and Advanced Education, Apprenticeship Fast Facts
— Active Apprentices at Year End
– Certificates of Qualification Issued

Building Labour Supply and Individual Opportunity

The most recent version of the *BC Trade Occupations Outlook* confirms that women and recent immigrants remain significantly under-represented in the trades. And while a relatively high proportion of Aboriginal people pursue trades training, low labour market participation generally means this group's full potential is also under-utilized.

ITA continued in 2011/12 to use Canada-BC Labour Market Agreement (LMA) funding – in collaboration with service providers – to provide customized support and overcome participation barriers that members of these groups often face. Programs are designed for unemployed individuals without EI eligibility and for low-skilled workers.

An online tool that allows LMA program participants to assess and improve program-specific basic skills, in areas such as literacy and numeracy, was also further developed in 2011/12 (**ita.essentialskillsgroup.com**). Closing gaps of this kind is often essential to success in the trades, and materials were added to help instructors develop relevant lessons.

Labour Supply Initiatives	Approved Project Funding 2011/12	Total Participants 2011/12
Women in Trades Training	$4.0 million	514
Immigrants in Trades Training	$1.4 million	331
Aboriginal Initiatives	$3.2 million	686

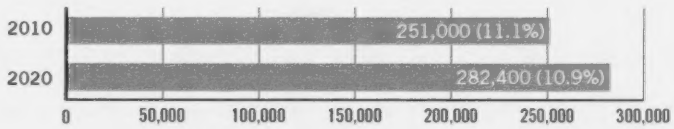
Closing the Gap

A source of guidance for the type and volume of training funded by ITA is the *BC Trade Occupations Outlook*, the second edition of which (covering 2010-2020) was released in 2011/12. Shifts in the outlook sharply underscore the importance of a strong apprenticeship system and credentialing process in the years ahead.

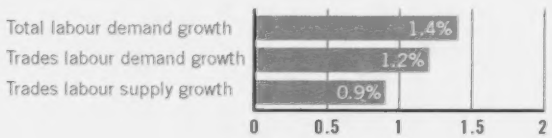
Most notably – and rather than seeing labour market conditions move from excess supply to balance – a potential shortfall of more than 2,000 position is now projected in the trades sector as a whole by 2020. As demand is projected to grow faster than labour supply, shortages are expected to occur for some trade occupations as early as 2013. Effective apprenticeship and credentialing responses have the potential to help close these gaps.

The full report is available at:
www.workbc.ca/Documents/Docs/BC_tradesoccupationoutlook.pdf

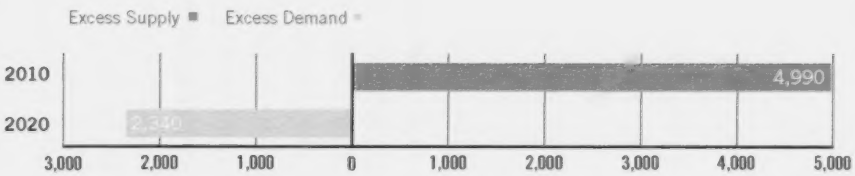
B.C. Trades Employment
(% total employment)



B.C. Demand and Supply Growth (annual average 2010–2020)
(in percentage)



Potential Trades Labour Supply vs. Demand



Government Expectations

The following table links ITA strategies and related actions during 2011/12 to direction provided by government in the Government's Letter of Expectations for that year. That document is executed by the Minister of Jobs, Tourism and Innovation and by the chair of ITA's Board, and is available at: **http://www.itabc.ca/AssetFactory.aspx?did=1872**. ITA responses are further discussed throughout this report.

Government Direction	ITA Response
Continue to support pan-Canadian initiatives to strengthen the Red Seal program and identify opportunities for efficiencies among jurisdictions	• ITA remained actively involved in the national "Strengthening the Red Seal" initiative, through which the Canadian Council of Directors of Apprenticeship has committed to improving occupational performance standards, and to assessing the feasibility of enhanced assessment tools based on them. • This work is informed to a significant degree by operational pilots conducted in B.C. in 2011/12 and previously. • B.C. consultations during 2011/12 confirmed strong industry interest in enhanced assessment and ITA intends to leverage the national work in implementing it (see page 13).
Work with ITOs and other stakeholders to further expand employer participation and apprenticeship sponsorship	• Expanded sponsor recruitment efforts included improved online resources for sponsors (e.g. registering apprentices, entering work-based hours), an advertising campaign, an outreach program and a sponsorship focus during key ITA engagement events. • Direct ITA outreach to a large cross section of previously active sponsors provided further insight on the primarily economic nature of current sponsorship constraints. • Industry engagement was a defined component of ITO service agreements for 2011/12, and is among deliverables that will be defined more precisely in future agreements, as an outcome of a consideration in 2011/12 of value improvement opportunities.
Develop a comprehensive continuous improvement framework, in response to 2008 Auditor General's recommendations	• The specific focus during 2011/12 was on standard level exams, and policy changes were made to facilitate their use; staged implementation will begin in 2012/13.
Review level of support provided to employers and apprentices and address gaps	• ITA conducted a research project with a focus on non-financial supports, including employer and apprentice focus groups. • Findings were presented and discussed at a December stakeholder conference, and will continue to inform ITA customer service improvements.
Support carbon neutrality	• ITA continued to maintain a small footprint through its information technology strategies and by leveraging audio conferencing to moderate travel. • ITA uses 100% recycled paper and employed green-procurement criteria in the August 2011 amalgamation of its two offices.

"Over the past 40 years, Canada's economy has been driven by labour-market growth, but two huge trends are affecting the Canadian labour market. First: Canada's aging population is resulting in "boomers" leaving their jobs. And, second, the nature of Canada's jobs continues to become more specialized which, in turn, demands more educated and skilled workers. "

Top 10 Barriers to Competitiveness, Canadian Chamber of Commerce report, February 2012

Financial Report

ITA ANNUAL SERVICE REPORT 2011/12

Management's Discussion and Analysis

ITA was in a surplus position at year end, as economic conditions and sponsorship constraints continued to temporarily reduce demand for training delivery. An investment in technical training capacity maintenance was prioritized, however, to ensure the training system remains able to meet mid-term projections for increased demand.

Impacts from the change to Public Sector Accounting Board accounting guidelines were minimal, and restricted to the shift of a modest unspent allocation for a specific youth trades awareness program to the accumulated surplus.

Variances relative to specific revenues and expenses are addressed below. Further discussion of general risks and opportunities influencing 2011/12 operational and financial performance is found on page 9.

Revenues

ITA's core funding allocation from the provincial government – by far the largest single component of its revenues – remained at the same level in 2011/12 as in the previous year. The reduction in total contributions from the Province was largely accounted for by a reduced allocation of funds available under the Canada-B.C. Labour Market Development Agreement. This was consistent with an alignment of training capacity to the mid-term economic needs of the province as outlined in the *BC Trade Occupations Outlook*.

ITA continued to access a significant amount of funding available under the Canada-B.C. Labour Market Agreement (LMA). This is included in "provincial grants and other" and is directed largely to labour supply initiatives specific to LMA-eligible client groups (Aboriginal people, women and immigrants). The current LMA agreement expires in March 2014.

Contributions from the Government of Canada were reduced due to a higher level of inter-jurisdictional engagement on the development of enhanced assessment at the national level. This reduced resource requirements needed on B.C.'s part. Other income increased more than expected mainly due to higher interest rates. Revenues were supplemented in 2011/12 by a one-time grant for training delivery received via the Trades Training Consortium of BC ("provincial Crowns").

Expenses

Training delivery was below budget as a result of continued moderation in training demand. This was the main contributor to the annual surplus. Administrative cost containment – achieved in part through increased internal capacities to support core activities – further contributed to the surplus.

Spending on assessment and certification was significantly below budget due to a re-evaluation during 2011/12 of the resources required to support a financially sustainable enhanced assessment model within B.C. This allowed for the re-deployment of some LMA funds, originally intended to support enhanced assessment, to labour supply initiatives. This in turn contributed to above budget expenses for Aboriginal initiatives.

Annual Surplus

The increase in the surplus in 2011/12 over the previous year was partially a result of discontinuing the practice of providing year-end grants, and is consistent with a sharpened emphasis on well-defined accountabilities and deliverables. Youth related activity that formerly benefited from such grants will instead be supported through an allocation within the ITA budget for 2012/13.

As required by Treasury Board, the surplus will be transferred to capital reserve and will primarily support implementation of a long-term information technology strategy. This will include increased capital asset purchases in 2013/14 and 2014/15 to further expand the functionality of ITA Direct Access.

Summary of Financial Results for the Years Ending March 31, 2007 to 2012 and Financial Forecast 2013 to 2015

Statement of Operations (in $ thousands)

	2007* Actual	2008* Actual	2009* Actual	2010* Actual	2011 Actual	2012 Actual	2012 Budget	Variance Budget	Variance Prior Year	2013 Forecast	2014 Forecast	2015 Forecast
REVENUES												
Provincial general funding	90,281	96,938	100,538	94,444	94,444	94,444	94,444	-	-	94,444	94,444	94,444
Provincial grants and other	10	236	2,693	17,230	17,152	8,313	8,560	(247)	(8,839)	11,685	11,260	-
Provincial crowns	-	-	-	-	-	4,250	4,250	-	4,250	-	-	-
Federal funding received	-	30	-	97	634	192	300	(108)	(442)	-	-	-
Operating	-	-	-	433	452	383	500	(117)	(69)	-	-	-
Fees	155	237	314	309	341	383	332	51	42	300	300	300
Investment income	959	981	541	121	243	293	180	113	50	180	180	180
Other	-	-	-	-	-	31	21	10	31	53	470	1,178
Deferred revenue province	488	482	196	1,140	-	-	-	-	-	-	-	-
	91,893	98,904	104,282	113,774	113,266	108,289	108,587	(298)	(4,977)	106,662	106,654	96,102
EXPENSES												
Standards development	2,760	2,756	3,339	1,574	2,608	2,437	2,746	(309)	(171)	3,227	3,497	3,697
Industry engagement (non standards work)	1,160	1,935	2,477	3,403	3,621	3,382	3,399	(17)	(239)	2,199	2,199	2,199
Credential awareness	-	-	-	-	-	-	-	-	-	300	300	300
Assessment and certification	1,604	271	748	1,448	1,833	1,067	2,434	(1,367)	(766)	1,028	1,028	1,028
Training delivery [1]	75,308	79,180	79,456	82,272	79,349	74,781	78,522	(3,741)	(4,568)	77,370	77,370	73,870
Labour supply initiatives	5,026	5,859	8,097	13,511	14,068	12,537	11,582	955	(1,531)	13,110	13,000	5,240
Administration	5,274	7,972	8,608	9,424	8,417	9,082	9,904	(822)	665	9,428	9,260	9,768
	91,132	97,973	102,725	111,632	109,896	103,286	108,587	(5,301)	(6,610)	106,662	106,654	96,102
Annual surplus	**761**	**931**	**1,557**	**2,142**	**3,370**	**5,003**	**-**	**5,003**	**1,633**	**-**	**-**	**-**
Accumulated surplus [2]	**3,571**	**4,501**	**6,058**	**8,200**	**12,383**	**17,386**	**12,383**	**(5,003)**	**(5,003)**	**12,383**	**12,383**	**12,383**
Purchase of capital assets	**2,148**	**1,153**	**1,160**	**1,190**	**1,118**	**1,585**	**1,000**	**(585)**	**(467)**	**1,000**	**2,000**	**3,000**

** The years ended 2007-2010 were prepared based on Not for Profit Canadian Generally Accepted Accounting Principles.*

The years ended 2011-2015, including forecast information, were prepared based on current Canadian Generally Accepted Accounting Principles (GAAP - PSAB).

Notes

1 Includes apprenticeship and foundation programs, E-PPRENTICE development and delivery, and Queen's Printer curriculum development.

2 Due to the nature of the ITA operations there is no total debt.

Management's Responsibility for the Financial Statements

The financial statements have been prepared by management in accordance with Canadian public sector accounting standards and the integrity and objectivity of these statements are management's responsibility. Management is also responsible for all of the notes to the financial statements and schedules, and for ensuring that this information is consistent, where appropriate, with the information contained in the financial statements. A summary of the significant accounting policies are described in Note 2 to the financial statements. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

Management is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced. The internal controls are designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the consolidated financial statements.

The Board of Directors are responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and exercises these responsibilities through the Board. The Board reviews internal financial statements at every meeting and external audited financial statements yearly. The Board also discusses any significant financial reporting or internal control matters prior to their approval of the financial statements.

The external auditors, the Auditor General of British Columbia, conduct an independent examination, in accordance with Canadian auditing standards, and express their opinion on the financial statements. The external auditors have full and free access to financial management of Industry Training Authority and meet when required. The accompanying Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the financial statements.

On behalf of Industry Training Authority

Kevin Evans
Chief Executive Officer

Sue Thomas CA
Chief Financial Officer

May 15, 2012

Independent Auditor's Report

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of the Industry Training Authority, and
To the Minister of Jobs, Tourism and Innovation, Province of British Columbia

Report on the Financial Statements

I have audited the accompanying financial statements of the Industry Training Authority, which comprise the statements of financial position as at March 31, 2012, March 31, 2011, and April 1, 2010, and the statements of operations and changes in accumulated surplus, changes in net financial assets and cash flows for the years ended March 31, 2012, and March 31, 2011, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

In my view, the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Industry Training Authority as at March 31, 2012, March 31, 2011, and April 1, 2010, and the results of its operations and its cash flows for the years ended March 31, 2012, and March 31, 2011, in accordance with Canadian public sector accounting standards.

Victoria, British Columbia
May 15, 2012

John Doyle, MAcc, CA
Auditor General

Industry Training Authority

Statement of Financial Position

in thousands of dollars

	Note	March 31, 2012	March 31, 2011 (Restated - Note 3)	April 1, 2010 (Restated - Note 3)
Financial Assets				
Cash and cash equivalents	4	15,292	8,896	6,585
Accounts receivable	5	26	29	11
Due from government/ other government organizations	6	3,859	4,365	4,146
		19,177	13,290	10,742
Liabilities				
Accounts payable and accrued liabilities	7	4,914	3,205	2,983
Employee future benefits	8	3	-	-
Due to government/ other government organizations	9	1,521	2,043	2,599
Deferred revenue	10	555	-	-
		6,993	5,248	5,582
Net financial assets		12,184	8,042	5,160
Non-financial assets				
Tangible capital assets	13	4,610	3,751	3,223
Prepaid expenses		592	590	630
		5,202	4,341	3,853
Accumulated surplus		17,386	12,383	9,013
Contingent liabilities	12			
Contractual obligations	14			

The accompanying notes are an integral part of these financial statements.

Frank Pasacreta
Board Chair

Jack Carthy
Audit Committee Chair

Industry Training Authority

Statement of Operations and Changes in Accumulated Surplus

in thousands of dollars

	Note	Budget	March 31, 2012	March 31, 2011
		(Note 19)		(Restated - Note 3)
Revenues				
Provincial general funding		94,444	94,444	94,444
Provincial grants and other		8,560	8,313	17,152
Provincial crowns		4,250	4,250	-
Federal funding received		300	192	634
Operating		500	383	452
Fees		332	383	341
Investment income		180	293	243
Other		21	31	-
		108,587	108,289	113,266
Expenses	*15 & 16*			
Standards development		2,746	2,437	2,608
Industry engagement (non standards work)		3,399	3,382	3,621
Assessment and certification		2,434	1,067	1,833
Training delivery		78,522	74,781	79,349
Labour supply initiatives		11,582	12,537	14,068
Administration		9,904	9,082	8,417
		108,587	103,286	109,896
Annual surplus		-	5,003	3,370
Accumulated surplus at the beginning of the year as originally reported			11,592	8,201
Adjustments to accumulated surplus:				
Change on transition to Public Sector Accounting Standards				
Deferred contributions from province Yes2It			782	782
Deferred capital contributions tenant improvements			9	30
Accumulated surplus at beginning of year restated			12,383	9,013
Accumulated surplus at end of year			17,386	12,383

The accompanying notes are an integral part of these financial statements.

Industry Training Authority

Statement of Changes in Net Financial Assets

in thousands of dollars

	Budget	March 31, 2012	March 31, 2011
	(Note 19)		(Restated - Note 3)
Annual operating surplus	-	5,003	3,370
Acquisition of tangible capital assets	(1,839)	(1,585)	(1,118)
Disposal of tangible capital assets	-	-	-
Amortization of tangible capital assets	660	716	620
(Gain)/loss on sale of tangible capital assets	-	10	-
Write-downs on tangible capital assets	-	-	(30)
	(1,179)	(859)	(528)
(Acquisition)/use of prepaid expense	(10)	(2)	40
	(10)	(2)	40
(Increase)/ decrease in net financial assets	(1,189)	4,142	2,882
Net financial assets at beginning of year	8,042	8,042	5,160
Net financial assets at end of year	**6,853**	**12,184**	**8,042**

The accompanying notes are an integral part of these financial statements.

Industry Training Authority

Statement of Cash Flows

in thousands of dollars

	March 31, 2012	March 31, 2011 (Restated - Note 3)
Operating transactions		
Annual surplus	5,003	3,370
Non-cash items included in annual surplus increase/(decrease):		
Amortization	716	590
Change in prepaid expenses	(2)	40
Change in receivables	509	(237)
Change in payables and accrued liabilities	1,190	(334)
Change in deferred revenue	555	-
Cash provided by operating transactions	7,971	3,429
Capital transactions		
Proceeds on sale of tangible capital assets	10	-
Cash used to acquire tangible capital assets	(1,585)	(1,118)
Cash applied to capital transactions	(1,575)	(1,118)
Increase in cash and cash equivalents	6,396	2,311
Cash and cash equivalents at beginning of year	8,896	6,585
Cash and cash equivalents at end of year	**15,292**	**8,896**

The accompanying notes are an integral part of these financial statements.

Industry Training Authority

Notes to Financial Statements

for the Years Ended March 31, 2012 and March 31, 2011

1. Nature of Operations

Industry Training Authority (ITA) is a Crown agency established on January 2, 2004 and operates under the authority of the *Industry Training Authority Act*. ITA reports to the Legislative Assembly through the Ministry of Jobs, Tourism and Innovation. The mandate of the ITA is to oversee occupational standards, credentialing, and apprenticeship for skilled trades and occupations in demand by industry and the BC labour market. It serves the public interest ensuring industry standards and credentials are in place for skilled trades and occupations, while providing individuals with accessible technical apprenticeship training opportunities that are closely linked to workplace opportunities. These services are grouped into the following key areas: standards, industry engagement, assessment and certification, training delivery and labour supply initiatives.

ITA is exempt from income taxes under the *Income Tax Act*.

2. Summary of Significant Accounting Policies

a Basis of accounting

The financial statements are prepared by management in accordance with Canadian public sector accounting standards for provincial reporting entities established by the Canadian Public Sector Accounting Board.

b Conversion to Public Sector Accounting Standards

Commencing with the 2012 fiscal year, at the request of the Minister of Finance, ITA has adopted Canadian public sector accounting ("PSA") standards as issued by the Public Sector Accounting Board. These financial statements are the first financial statements for which ITA has applied Canadian public sector accounting standards. ITA has early adopted the accounting standards contained in PS 1201 – *Financial statement presentation*, PS 3410 – *Government transfers*, PS 2601 – *Foreign currency translation* and PS 3450 – *Financial instruments* in the preparation of these financial statements.

c Tangible capital assets

Tangible capital assets are recorded at cost, which included amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of assets.

The cost, less residual value, of the tangible capital assets, is amortized on a straight-line basis over their estimated useful lives as follows:

Furniture and equipment	5 years
Computer hardware and software	3-10 years
Leasehold improvements	10 years

Annual amortization is charged in the year of acquisition and in the year of disposal. Assets under construction are not amortized until the asset is available for productive use.

Tangible capital assets are written down when conditions indicate that they no longer contribute to ITA's ability to provide credentials and services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. The net write-downs are accounted for as expenses in the statement of operations.

Transfers of capital assets from related parties are recorded at carrying value. ITA has recorded additions relating to computer software for apprenticeship records at carrying value.

d Employee future benefits

i. The employees of ITA belong to the Public Service Pension Plan, which is a multi-employer joint trustee plan. This plan is a defined benefit plan, providing a pension on retirement based on the member's age at retirement, length of service and highest earnings averaged over five years. Inflation adjustments are contingent upon available funding.

The joint trustee board of the plan determines the required plan contributions annually.

The contribution of ITA to the plan is recorded as an expense for the year.

ii. The costs of insured benefits reflected in these financial statements are the employer's portion of the insurance premiums owed for the coverage of employees during the period.

Industry Training Authority

Notes to Financial Statements continued

for the Years Ended March 31, 2012 and March 31, 2011

e Prepaid expenses

Prepaid expenses include payments to private trainers for classes spanning the fiscal year end as well as other operational expenses and are charged to expense over the periods expected to benefit from the prepaid.

f Revenue recognition

Revenues are recognized in the period when the transactions or events occurred that gave rise to the revenues. All revenues are recorded on an accrual basis, except when the accruals cannot be determined with a reasonable degree of certainty or when their estimation is impractical.

Government transfers are recognized as revenues when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability and are taken into revenue in the statement of operations as the stipulation liabilities are settled.

Contributions from other sources are deferred when restrictions are placed on their use by the contributor, and are recognized as revenue in the period when they are used for the specific purpose.

Revenue related to fees or services received in advance of the fee being earned or the service is performed is deferred and recognized when the fee is earned or service performed.

g Expenses

Expenses are reported on an accrual basis. The cost of all goods consumed and services received during the year is expensed.

Grants and transfers are recorded as expenses when the transfer is authorized and eligibility criteria have been met by the recipient.

h Foreign currency translation

Foreign currency transactions are translated at the exchange rate prevailing at the date of the transactions and there are no foreign denominated assets or liabilities existing at year end.

i Financial instruments

ITA has the following financial instruments:

i. Cash and cash equivalents
Cash and cash equivalents includes cash held in a high yield account at a Canadian bank and is subject to an insignificant risk of change in value.

ii. Accounts receivables
Accounts receivables are primarily from the province or the federal government. They are subject to an insignificant risk of change in value.

iii. Accounts payables
Accounts payables are to trade, and to the province and government related entities that are due within 30 days.

All financial assets and financial liabilities are measured at cost which approximates fair value due to the short term nature of these accounts.

j Measurement uncertainty

The preparation of financial statements is in conformity with Canadian public sector accounting standards for provincial reporting entities. These standards require management to make estimates and assumptions that affect the reporting amounts of assets and liabilities, and disclosure of contingent assets and liabilities, at the date of the financial statements and the reported amounts of the revenues and expenses during the period. Items requiring the use of significant estimates include: the useful life of capital assets and rates for amortization.

Estimates are based on the best information available at the time of preparation of the financial statements and are reviewed annually to reflect new information as it becomes available. Measurement uncertainty exists in these financial statements. Actual results could differ from these estimates.

Industry Training Authority

Notes to Financial Statements continued

for the Years Ended March 31, 2012 and March 31, 2011

3. Conversion to Public Sector Accounting Standards

Commencing with the 2012 fiscal year, ITA has adopted Canadian public sector accounting ("PSA") standards. These financial statements are the first financial statements for which ITA has applied Canadian public sector accounting standards. At the direction of the Minister of Finance ITA has early adopted the accounting standards contained in PS 1201 – *Financial statement presentation*, PS 3410 – *Government transfers*, PS 2601 – *Foreign currency translation* PS 3450 – *Financial instruments* and *Portfolio Investments* PS 3041 in the preparation of these financial statements.

The impact of the conversion to Canadian public sector accounting standards on the accumulated surplus at the beginning of the 2011 fiscal year, the date on transition, and the comparative annual surplus is presented in the Statement of Operations and Changes in Accumulated Surplus. These accounting changes have been applied retroactively with restatement of prior periods except for the accounting standards contained in PS 2601 and PS 3450 as these standards specifically prohibit retroactive application. The following changes have been implemented to comply with PSA:

a Statement of Financial Position

(in $ thousands)

Retroactive Changes	Previously Stated April 1, 2010	Adjustment April 1, 2010	Restated April 1, 2010
Deferred contribution	782	(782)	-
Deferred capital contribution	30	(30)	-

The deferred contribution is the funding received from the province to support the Yes2IT youth in trades program. There are no indicators that create the conditions to continue to defer this funding under public sector accounting standards.

Deferred capital for tenant improvements for offices rented from the province. There also were no indicators that created the conditions to continue to defer this funding.

b Statement of Operations and Changes in Accumulated Surplus

(in $ thousands)

	Previously Stated March 31, 2011	Adjustment March 31, 2011	Restated March 31, 2011
Deferred contribution	-	-	-
Deferred capital contribution	21	(21)	-

There was no revenue recognized from the deferred contribution for Yes2IT during this time period.

Deferred capital for tenant improvements revenue recognition no longer qualified as a deferred capital contribution.

c Statement of Cash Flow

There were no impacts to the cash flow as a result of the conversion to Public Sector Accounting Standards.

Industry Training Authority

Notes to Financial Statements continued

for the Years Ended March 31, 2012 and March 31, 2011

4. Cash and Cash Equivalents

(in $ thousands)

	March 31, 2012	March 31, 2011	April 1, 2010
Unrestricted cash	**15,292**	8,896	6,585

5. Accounts Receivables

(in $ thousands)

	March 31, 2012	March 31, 2011	April 1, 2010
Revenues receivable	**4**	9	4
Accrued interest	**22**	20	7
	26	29	11

6. Due from Government and Other Government Organizations

(in $ thousands)

	March 31, 2012	March 31, 2011	April 1, 2010
Provincial government	**3,512**	3,108	3,840
Federal government	**345**	1,255	108
Other government organizations	**2**	2	198
	3,859	4,365	4,146

7. Accounts Payable and Accrued Liabilities

(in $ thousands)

	March 31, 2012	March 31, 2011	April 1, 2010
Accounts payable and accrued liabilities	**4,346**	2,863	2,428
Salaries and benefits payable	**505**	279	503
Accrued vacation pay	**63**	63	52
	4,914	3,205	2,983

Industry Training Authority

Notes to Financial Statements continued

for the Years Ended March 31, 2012 and March 31, 2011

8. Employee Future Benefits

ITA and its employees contribute to the Public Service Pension Plan in accordance with the *Public Sector Pensions Act*. BC Pension Corporation administers the plan, including payment of pension benefits to employees to whom the act applies. The Public Service Pension Plan is a multi-employer, defined benefit plan.

Information about obligations for retirement benefits and other employee future benefits is as follows:

a Retirement and other employee future benefits – pension plan

ITA and its employees contribute to the Public Service Pension Plan in accordance with the *Public Sector Pensions Act*. The plan provides defined pension benefits to employees based on their length of service and rates of pay. The maximum contribution rate for eligible employees was 9.28% (2011: 9.28%). ITA's maximum contribution rate is 10.28% (2011: 10.28%). During the year ended March 31, 2012, ITA contributed $319 thousand (2011: $318 thousand) to the plan. These contributions are ITA's pension benefit expense. No pension liability for this type of plan is included in the financial statements.

An actuarial valuation is conducted every three years to assess the financial position of the Public Service Pension Plan's (PSPP's) pension fund. The most recent valuation was conducted as at March 31, 2011, and the results showed that the PSPP's basic account had a deficit of $275.401million. The contribution rate increase effective April 1, 2012 to the basic account is relatively small, which is in part due to the 2010 rebound in the plan's investments. The actuary does not attribute portions of the unfunded liability to individual employers.

b Long-term disability life insurance and health care benefits

ITA provides life insurance, dental and health care benefits to employees on long-term disability leave for a period of two years after the date of disability. The insurance carrier waives the life insurance premium for employees on long-term disability; however, ITA is responsible for the payment of the premium costs of medical, dental and Medical Services Plan under this plan. The costs of salary compensation paid to employees on long-term disability leave are fully insured through employee paid contributions and are not included in this plan.

The accrued benefit obligations for employee future benefit plans as at March 31, 2012 is $3 thousand (2011: $0).

9. Due to Government and Other Government Organizations

(in $ thousands)

	March 31, 2012	March 31, 2011	April 1, 2010
Federal government	**11**	140	105
Provincial government	**288**	223	595
Other government organizations	**1,222**	1,680	1,899
	1,521	2,043	2,599

ITA's liabilities to government and other government organizations are all amounts payable on demand and within a year. Other government organizations includes: colleges, universities and school districts.

Industry Training Authority

Notes to Financial Statements continued

for the Years Ended March 31, 2012 and March 31, 2011

10. Deferred Revenue

(in $ thousands)

	Balance April 1, 2011	Receipts during year	Transferred to revenue	Balance March 31, 2012
	(Restated - Note 3)			
Tenant inducement Richmond office	-	530	30	**500**
Aboriginal Research – province	-	105	50	**55**
	-	635	80	**555**

ITA received $530 thousand in tenant inducements for leasehold improvements to the Richmond office. This revenue is being deferred and recognized over the term of the lease.

ITA entered into an agreement with the province's employment and labour market services for a Labour Market Project for Aboriginal research for $170 thousand. $105 thousand was advanced to the ITA and the unspent funds are deferred as at March 31, 2012.

11. Fiscal Risk Management

ITA's financial instruments are not exposed to significant risk. They are measured at cost and include: cash and cash equivalents; trade receivables and trade payables.

a Cash and cash equivalents

ITAs cash and cash equivalents are made up of cash held in bank accounts in demand deposits.

i. Cash is not exposed to significant liquidity risk or market risk which includes currency risk and interest rate risk.

ii. ITA's objectives in managing these risks are to significantly minimize risk by:
(1) Holding cash in a chequing and a deposit account at a Canadian bank,
(2) In Canadian currency, and
(3) In interest bearing bank accounts.

iii. There have been no changes in the fiscal risks or ITAs objectives, policies or process, from the previous period.

b Accounts receivables

Accounts receivables are primarily from the provincial and federal governments with less than 1% from trade receivables.

i. ITA's accounts receivables do not have significant credit, liquidity or market risk.

ii. ITA's objective is to keep all receivables current. Trade receivables that are past due are not impaired.

iii. There have been no changes in the fiscal risks or ITAs objective, policies or process, from the previous period.

c Accounts payables

Accounts payables are to trade and to the province and government related entities and are due within 30 days.

i. ITA's accounts payables do not have significant credit, liquidity or market risk.

ii. ITA's objective is to keep all payables current.

iii. There have been no changes in the fiscal risks or ITAs objective, policies or process, from the previous period.

12. Contingent Liabilities – Pension

ITA has an accrual for an obligation arising from employees' potential voluntary purchase of past service in the Public Service Pension Plan of $53 thousand (2011: $81 thousand). Changes in the accrual are reflected in the Statement of Operations.

Industry Training Authority

Notes to Financial Statements continued

for the Years Ended March 31, 2012 and March 31, 2011

13. Tangible Capital Assets

March 31, 2012 (in $ thousands)

	Furniture and equipment	Computer hardware & software	Leasehold improvements	March 31, 2012 Total
Cost				
Opening Balance	308	5,533	280	6,121
Additions	225	767	593	1,585
Disposals	(52)	(2)	(273)	(327)
Closing Balance	**481**	**6,298**	**600**	**7,379**
Accumulated Amortization				
Opening Balance	281	1,835	254	2,370
Additions	32	631	53	716
Disposals	(42)	(2)	(273)	(317)
Closing Balance	**271**	**2,464**	**34**	**2,769**
Net book value	**210**	**3,834**	**566**	**4,610**

Cost at March 31, 2012 includes work in progress as follows: Leasehold improvements $0 (April 1, 2011: $7 thousand)

March 31, 2011 (in $ thousands)

	Furniture and equipment	Computer hardware & software	Leasehold improvements	March 31, 2011 Total
Cost				
Opening Balance	301	4,431	270	5,002
Additions	7	1,102	10	1,119
Write-downs	-	-	-	-
Closing Balance	**308**	**5,533**	**280**	**6,121**
Accumulated Amortization				
Opening Balance	266	1,340	173	1,779
Additions	15	495	111	621
Write-downs	-	-	(30)	(30)
Closing Balance	**281**	**1,835**	**254**	**2,370**
Net book value	**27**	**3,698**	**26**	**3,751**

Cost at March 31, 2011 includes work in progress as follows: Leasehold improvements $7 thousand (April 1, 2010: $0)

Industry Training Authority

Notes to Financial Statements continued

for the Years Ended March 31, 2012 and March 31, 2011

14. Contractual Obligations

ITA has entered into a number of multiple-year contracts for the delivery of services for operating leases for premises and equipment. The lease commitments are for space costs and exclude operating costs. These contractual obligations will become liabilities in the future when the terms of the contracts are met. Disclosure relates to the unperformed portion of the contracts.

(in $ thousands)

Contractual obligations	March 31, 2013	March 31, 2014	March 31, 2015	March 31, 2016	March 31, 2017	Thereafter
Future operating lease payments – office	195	195	195	195	202	910
Future operating lease payments – copiers	12	12	8	-	-	-
	207	**207**	**203**	**195**	**202**	**910**

15. Government Transfers

(in $ thousands)

	March 31, 2012	March 31, 2011
Revenue:		
Provincial general funding	**94,444**	94,444
Provincial other funding/grants	**8,288**	17,152
Provincial crown	**4,250**	-
	106,982	111,596
Expenses:		
Ministry of Education	**165**	219
Post secondary institutions	**70,111**	73,731
Private training institutions	**6,542**	7,168
TTCBC	**-**	325
School districts	**4,088**	3,855
LMA related transfers	**5,268**	4,901
Skills Canada	**-**	295
CES	**-**	1,789
Asia Pacific Gateway	**-**	216
Aboriginal agencies	-	90
	86,174	92,589

The majority of the expenses listed above are related to training with LMA related transfers being part of both: training delivery and assessment and certification. There were no liabilities created from the government transfers received. There were no changes in the recognition of these expenses as a result of the change to PSAB.

Industry Training Authority

Notes to Financial Statements continued

for the Years Ended March 31, 2012 and March 31, 2011

16. Expenses by Object

The following is a summary of expenses by object:

(in $ thousands)

	March 31, 2012	March 31, 2011
ITO-delivered services	**5,683**	6,061
Training provider services (including Youth)	**78,653**	85,447
Labour Supply Initiatives (Women, Aboriginal & Immigrant)	**8,218**	7,719
Assessment & certification	**1,067**	1,833
Other operating costs	**785**	870
Compensation	**4,585**	3,945
Staff development	**79**	53
Information systems / telecommunications	**1,309**	1,266
Communications & marketing	**555**	245
Building occupancy and other	**512**	393
Amortization	**716**	590
Loss on disposal	**10**	-
Other administrative costs	**1,114**	1,474
	103,286	109,896

Compensation and staff development costs for all ITA employees are included in Administration in the Statement of Operations as all program delivery and employee activity is in support of ITA's single product; Certificates of Qualification.

Building occupancy and other includes the moving costs related to the new consolidated offices on August 29, 2011.

Industry Training Authority

Notes to Financial Statements continued

for the Years Ended March 31, 2012 and March 31, 2011

17. Related Party Transactions

a Board and Employees

Payments training delivery of $0 (2011: $1,789,000), $0 (2011: $295,000) and $0 (2011: $216,000) were made to three separate not-for-profit societies, each of whose Boards included a board member, employee or former employee of ITA. An employee's spouse, as a contractor was paid $0 (2011: $948). The Board members and employees did not participate in the approval of the payments. During 2011, a former employee was a part time instructor at one of the post secondary institutions funded to provide training delivery and was a member of the Board of Trustees for the Public Service Pension Plan.

b Province

ITA has the following transactions with the government and other government controlled organizations.

(in $ thousands)

	March 31, 2012	March 31, 2011
Provincial general funding – Ministry of Jobs, Training and Innovation	**94,444**	94,444
Provincial other funding/grants – Ministry of Jobs, Training and Innovation	**8,303**	17,152
Crown – Trades Training Consortium BC	**4,250**	-
Operating – Queens Printer	**383**	452
	107,380	112,048
Transfers to:		
Post secondary institutions	**70,159**	73,731
School districts	**4,088**	3,855
Trades Training Consortium BC	**-**	325
Ministry of Education	**165**	219
Ministry of Citizens' Services – Accommodation and Real Estate Services	**216**	392
Queen's Printer & BC Mail Plus	**711**	545
Public Service Pension Plan	**319**	318
Service BC	**332**	315
Other government related entities	**42**	20
	76,032	79,720

ITA's office leases with the Ministry of Citizens' Services – Accommodation and Real Estate Services ended August 31, 2011.

18. Comparative Figures

Certain comparative figures have been restated to conform to current year's presentation.

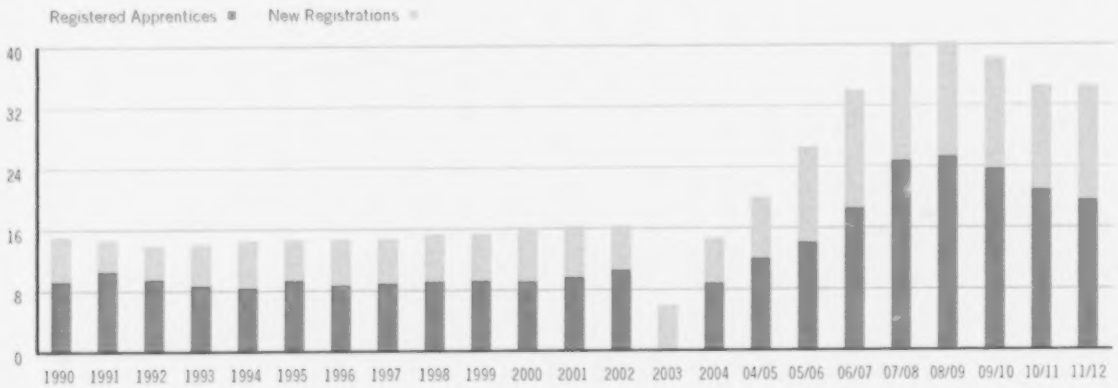
19. Budgeted Figures

Budgeted figures as approved by the Board of Directors have been provided for comparison purposes.

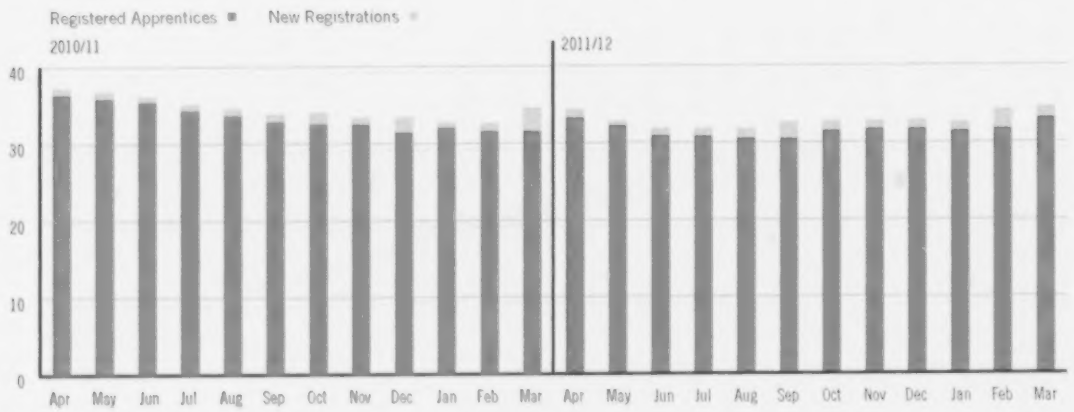
Key Statistics

The full bars in these graphs represent the total number of registered apprentices at the end of the relevant time period. The orange sections of the bars represent the proportion of that total made up of new registrations during the period. Registered apprentice figures from 1990–2002 and those from 2004 onward are not precisely comparable — as a result of the implementation of refined classification and tracking procedures — but provide an indication of relative participation levels over time. Sufficiently comparable numbers are not available for the 2003 transitional period immediately prior to when ITA was formed and only the new registration figure is shown for that time period.

Historic Performance: Registered Apprentices and New Registrations
(in thousands)



Recent Performance: Registered Apprentices and New Registrations
(in thousands)



Figures include youth participants and exclude foundation program participants.

Training Participants

(all registered apprentices as of March 31, 2011)

By Age

Clockwise from marked :

- 19 & Under 17%
- 20 – 24 30%
- 25 – 29 22%
- 30 – 34 13%
- 35 & Above 17%

Figures do not equal 100 due to rounding

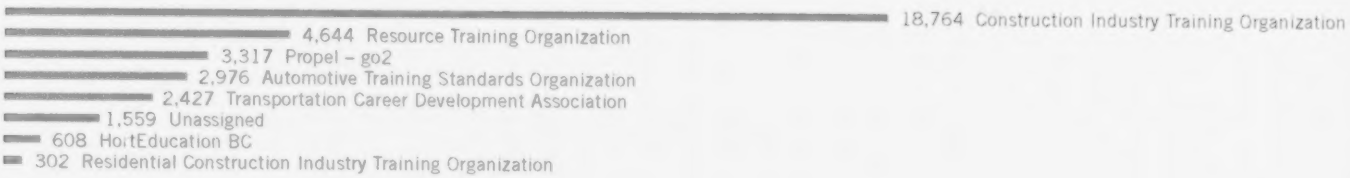
By Region

Clockwise from marked :

- Kamloops-Cariboo 5%
- Kootenays 5%
- Lower Mainland 44%
- Vancouver Island 18%
- Okanagan 10%
- Northwest 2%
- Northeast 3%
- Prince George 5%
- Fraser Valley 8%

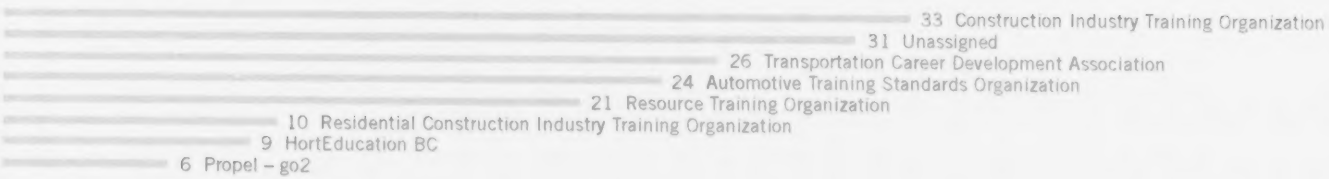
Operating Industry Training Organizations: Scope of Responsibilities

Total Apprenticeships Registered *as of March 31, 2012*


18,764 Construction Industry Training Organization
4,644 Resource Training Organization
3,317 Propel – go2
2,976 Automotive Training Standards Organization
2,427 Transportation Career Development Association
1,559 Unassigned
608 HortEducation BC
302 Residential Construction Industry Training Organization

Total Apprenticeships Registered: 34,597

Number of Programs *as of March 31, 2012*


33 Construction Industry Training Organization
31 Unassigned
26 Transportation Career Development Association
24 Automotive Training Standards Organization
21 Resource Training Organization
10 Residential Construction Industry Training Organization
9 HortEducation BC
6 Propel – go2

Total Programs: 160

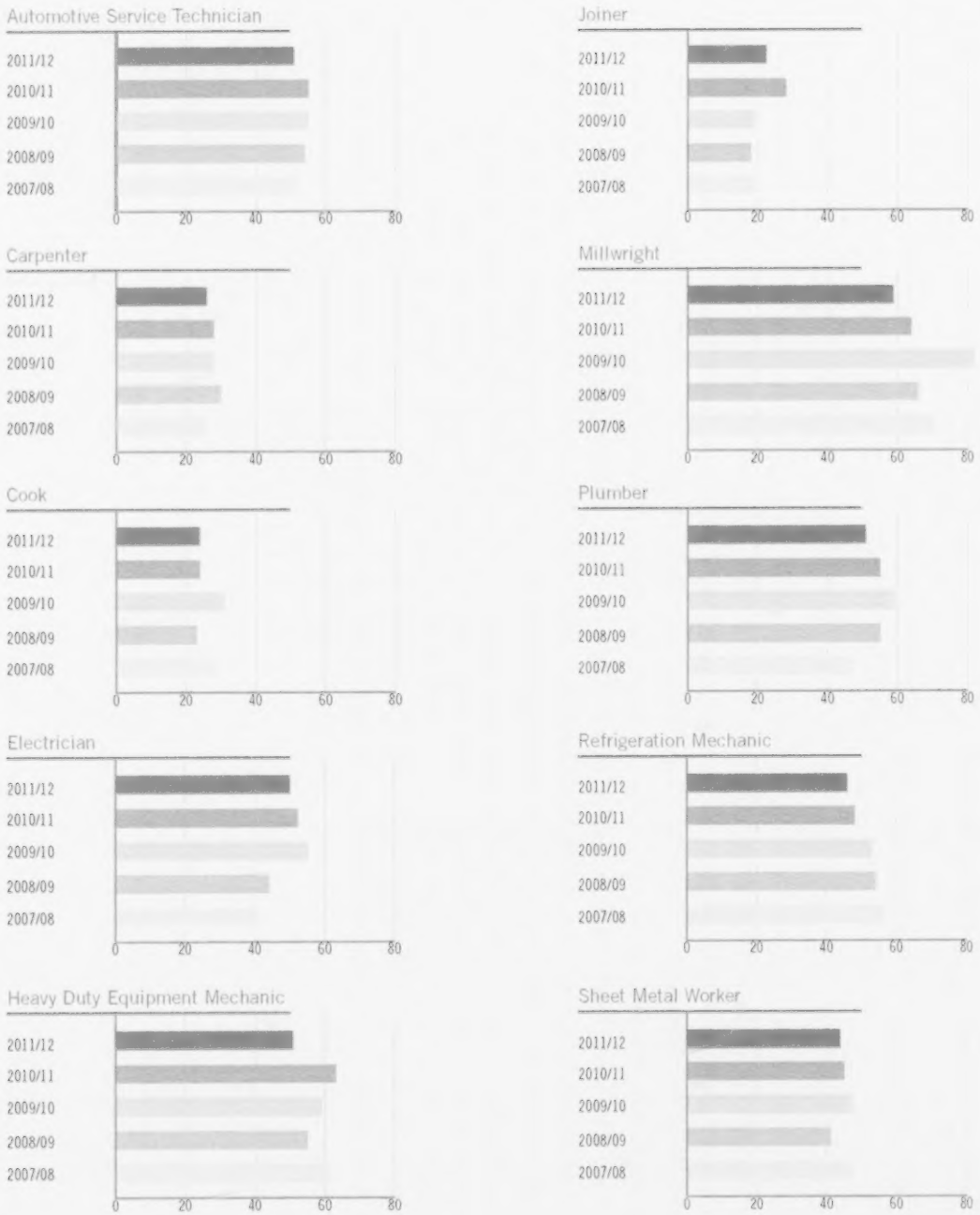
Figures include youth participants and exclude foundation program participants

A Change in the ITO Network

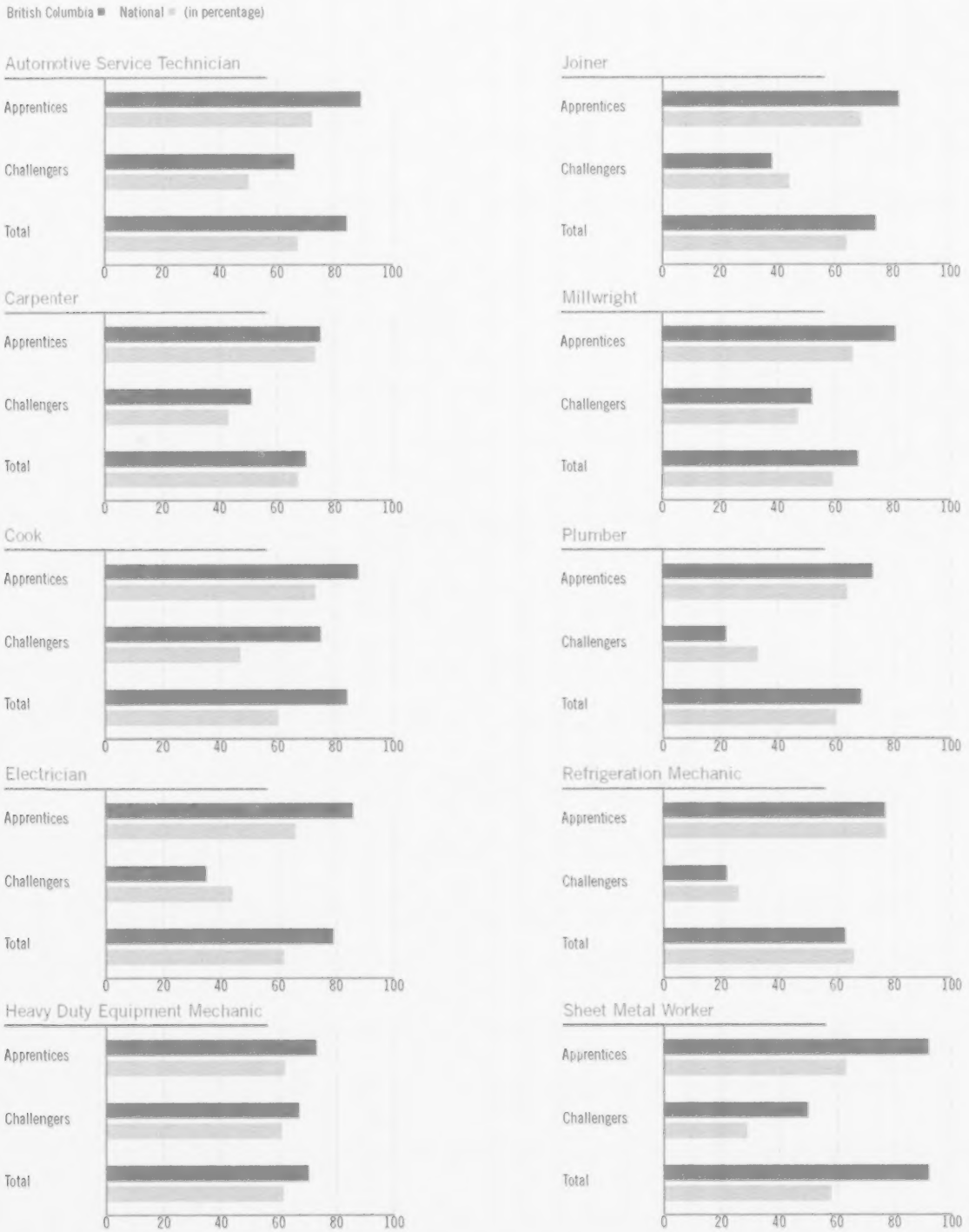
ITA's partnership agreement with the Residential Construction Industry Training Organization (RCITO) was not renewed upon its expiry at the end of 2011/12. This was due to insufficient uptake by employers and trainees in RCITO-managed programs. Agreements remain in place with six other ITOs. ITA remains committed to the Industry Training Organization model as the primary means of maintaining an industry-driven system.

Completion Rates, Major Red Seal Trades

(average in percentage)



Examination Pass Rates, Major Red Seal Trades, 2011



Results are for calendar year and are based on number of exams written

Glossary

Apprentice

A person who registers with the Industry Training Authority and pursues an industry training program — combining work-based training with technical or institution-based training — with the intent of obtaining an industry training credential.

BC Trade Occupations Outlook

A comprehensive 10-year assessment of labour supply and demand expectations within a representative list of 15 trade occupations, prepared by BC Stats for the Ministry of Jobs, Tourism and Innovation.

Challengers/Challenge Process

Individuals who have not participated in a formal apprenticeship program in Canada, but who have been assessed and approved to undergo final certification assessment requirements based on their prior experience and existing skills.

Credential/Certification

Recognition that an individual has met the requirements of an industry training program either through participation in a formal apprenticeship program or through a challenge process. In B.C., credentials take the form of provincial Certificates of Qualification (often issued with inter-provincial or Red Seal endorsements), Certificates of Apprenticeship, and Certificates of Completion (foundation programs).

Direct Access

An information management system designed to track system-wide performance, and provide apprentices and sponsors with the ability to register, access program information, check transcripts, enter training hours and trigger recommendation letters.

Enhanced Assessment

Any of a range of standards-based means of assessing competency — such as interviews and observation of the practical application of defined skills — that are alternatives to written examinations.

Foundation Programs

Pre-apprenticeship and primarily school-based programs (including those formerly known as Entry Level Trades Training Programs) directly aligned with apprenticeship programs, and providing an entry point by which participants can earn credit for Level 1 technical training without the need for a sponsor who has committed to provide work-based training.

Industry Training Organization

An industry-directed, not-for-profit legal entity with responsibility for developing and managing industry training programs province-wide within a particular economic sector (e.g. horticulture, automotive repair, transportation, ICI Construction).

Industry Training Program

Any of a number of occupation-specific programs involving defined competencies and standards, assessment tools and a credential to be awarded upon successful completion. Includes both apprenticeship and foundation programs.

Labour Market Agreement

Bilateral agreements under which the federal government provides funding for specific labour market initiatives for which the province then assumes responsibility to design and deliver.

Occupational Performance Standards

Precise documentation of the level of workplace performance, based on defined criteria, expected by industry of a competent individual within a particular occupation.

Red Seal

A national program providing a standardized endorsement for specific occupations/trades and allowing for greater labour mobility across provincial/territorial boundaries. Upon successful completion of a Red Seal exam, a Red Seal endorsement is added to the provincial credential.

Sponsor

A qualified individual or other legal entity (often, but not necessarily, an employer) that commits to ensuring that an apprentice receives work-based training relevant to his or her industry training program, and under the direction of one or more qualified individuals.

Standard Level Exams

Examinations developed by ITA for standardized use by training providers in determining successful completion of a specific level of a multi-year apprenticeship program.

Technical Training

The institution-based (in-class or distance education) component of an industry training program that provides a combination of theoretical knowledge and practical skills to complement work-based training.

Utilization Rates

The proportion of available spaces within ITA-funded technical training programs that were actually filled by training participants (including programs offered at public post-secondary institutions, by private trainers, and as part of pilot programs).

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